DOCUMENT RESUME

ED 142 684 UD 017 281

AUTHOR	Newitt, Jane
TITLE	Social Policy as Social Process. Final Report.
INSTITUTION	Hudson Inst., Croton-on-Hudson, N.Y.
SPONS AGENCY	Office of Economic Opportunity, Washington, D.C.
PUB DATE	11 Aug 75
NOTE	378p.; Reproduced from best available copy
EDRS PRICE	MF-$0.83 HC-$20.75 Plus Postage.
DESCRIPTORS	*Attitudes; Demography; *Federal Programs; Government Role; Guaranteed Income; Health Services; Job Development; Job Market; Jobs; Low Income Groups; *Policy Formation; *Poverty Programs; *Poverty Research; Racial Attitudes; Revenue Sharing; *Social Factors; Surveys; Welfare
IDENTIFIERS	*War on Poverty

ABSTRACT

A decade's explosive growth in the scope, funding and complexity of national social policy has created serious problems in the United States. This first overview report notes that the Office of Economic Opportunity (now known as the Community Services Administration) has ceased to provide a focal point for national social policy. It was this state of affairs which prompted this report on present conditions and future possibilities for the poor in American society. Detailed discussions of specific problems, explanatory material about the historical background of these problems and implications for the future of the poor are delineated in nine sections. These include: Poverty Policy in Perspective, 1900-1980; Aspects of the "Low Income Problem" Problem; Nonaffluent Americans (A statistical profile of Americans who are neither so well off as the average nor in deep poverty); Attitudes of Americans, Poor and Nonpoor; Place and Policy (Area redevelopment and revenue sharing approaches); Anti-Poverty, Anti-Pauperism, and Economic Opportunity (Social programs are treated with reference to their intent to "improve" the poor); Income Maintenance Programs; Work: A Problem of Definition; Social Policy as Social Process (An attempt to develop priorities for national social policy in the near future). In addition to a discussion of all of these problem areas, a thesis is developed for their future solution. Each of these theses is derived from past and present day data and observations. One such theses, for example, is that the future will see more rather than fewer jobs for the less-skilled, and that social policy has been unduly influenced by contrary expectations. (Author/PR)

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HUDSON INSTITUTE

FINAL REPORT

SOCIAL POLICY AS SOCIAL PROCESS

By

Jane Newitt

HI-2245-RR

August 11, 1975

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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This report derives from a program of U.S. social policy studies conducted under a grant from the Office of Economic Opportunity. The views and conclusions are those of the author, who served as manager of the program, and should not be quoted without specific attribution.

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PREFACE AND SUMMARY

This volume is one of a set which comprise the final product of a two-year program of U.S. social policy studies, conducted by Hudson Institute under a grant from the Office of Economic Opportunity. The set also includes a second overview report, Poverty and Public Policy, by Irving Leveson, the principal economist who participated in the project; a separate report on our major study of achievement trends in the public schools;* and a multi-volume anthology of our specialized reports and discussion papers, selected and edited by Doris Yokelson.

At the time our program was funded, OEO was expecting to go out of business long before our work was done. We had a sweeping charter: the past, present, and future of those domestic activities of government that are colloquially described as "social" rather than "economic." As one former poverty warrior put it, we were asked to tackle the question, "What comes after OEO?"

In fact, OEO survives. Abandoned by most of its early friends, the agency acquired a strong constituency among its former foes in local government. Under a new name, the Community Services Administration, it continues to supervise the local Community Action Agencies and to function within its reduced means as an "advocate for the poor."

But this does not invalidate the what-comes-after question. The poverty agency had ceased to provide a focal point for national social policy well before the election of 1968. It has not been replaced in this function. Social policy outlays have continued to mushroom; revenue-sharing has shifted a modest amount of decision-making from Washington to the state and local levels. But the ambitious aims for welfare reform and health insurance that looked like comers at the turn of the decade have not been enacted, and the tangled confusion of categorical grant programs that had come to look unattractive to liberals as well as conservatives has not been reduced to order.

This was the state of affairs when we began our program. It remains so today, with the difference that debate on social policy topics has been largely eclipsed by more urgent matters. Distracted from the major social concerns of the Sixties and early Seventies, most thoughtful Americans seem resigned if not happy with the expectation that we can pick up where we left off, once the recession goes away and the budget deficits diminish.

However, a decade's explosive growth in the scope, funding, and complexity of national social policy has itself created serious problems. Where we left off--before Watergate, before energy crisis, before double-digit inflation and nine percent unemployment--was with the inability of President and Congress to combine the solution of some of these problems with innovative reforms. Where we left off was the terminal phase of poverty-war backlash: the charade of going back to the drawing boards to develop yet more beautiful blueprints for solving lots of problems at once. It is not clear that we should go back to that even if we can.

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*The U.S. Primary and Secondary Educational Process, by Frank Armbruster, with contributions by Paul J. Bracken and the assistance of Joyce Lind (HI-2308-RR).

In this situation, it may seem regrettable that Hudson Institute's program has not resulted in a single set of recommendations for social policy. We initially expected this outcome, but three problems intervened. Of these, the most important is the nature of the subject. There has developed a large area of "economic policy" where the government's options can be largely debated as technical problems. Not so for social policy. While no precise definition of social policy is satisfactory, the adjectives "nurturant" and "normative" are basic. Social policy deals with needs, rights, and obligations. It deals with improving people. Its objectives are profoundly ethical and, at the leading edges, highly emotive. Even among our relatively homogeneous group of intellectual workers at Hudson, we discovered deep-seated differences of belief on such matters as abortion, "welfare" as a right, affirmative action, the limits to civil liberties, the importance of public opinion, the nature of property rights. Such differences cannot be settled by studying the subject, any more than by majority vote in a court, legislature, or referendum. Some are settled over time by the evolution of consensus, but in the short run undecidable issues are "managed" by political and administrative processes that derive much more from the conflict of convictions and interests than from statesmanlike decisions.

The aim to improve these processes from outside is self-deluding. There is no such thing as outside. Where ethical differences are involved, procedural improvements cannot be separated from substantive objectives. The desire to minimize conflicts is no more a neutral posture than is the circular reasoning which says that all right-minded people share one's views. Obviously, the problems this poses for a social policy study increase with the scope of the study, if the study is to eventuate in a coherent set of recommendations.

Second, our work plan did not promote the alternative to consensus which results when a project manager serves as a sort of queen bee who processes data fed her by the workers. Ours was not a project but a program of studies. Concerned to reduce the pitfalls of stressing comprehensiveness rather than depth, we centered our work on assigned but autonomously conducted specialized studies. This was my decision, and I would make it again. However, one hoped-for outcome of our approach was not forthcoming. We had aimed to tame part of a vast subject by blocking out a set of technical problems with best solutions. To some extent we did this, but the second step of aggregating findings proved unworkable. There is a quantum leap from costing alternative means for meeting housing needs to determining how much of the national social dollar should be allotted to housing programs, and another quantum leap from this to determining how large the total "national social dollar" should be. Similarly for other aspects of social policy than costs.

Third, midway through our program the basic ground rules changed. In the Sixties and early Seventies, it was possible for social policy analysts to adopt the simplifying assumption of steady economic growth punctuated by occasional mild-to-moderate recessions. This is no longer plausible. While most Hudson people are optimists on economic issues for the long run, the next five years have to be regarded as highly uncertain. We will or will not learn to control inflation; if we fail, even the long-term prospect is drastically changed. At best, unemployment will only slowly return to "normal" levels. And what about fuel policies and prices?

A vast terra incognita has appeared in the middle of what we (and others) assumed to be well-explored terrain. On particulars, we had early discovered that the terrain was not so well explored. For example, despite widespread concern over the deterioration of inner-city schools, we found that the data for establishing trendlines on scholastic achievement were not available in any central location but had to be collected state by state and city by city. Atop problems of this type came the impossible imperative to evaluate social programs and proposals in the light of alternative economic forecasts, considering the implications of these forecasts for what is desirable and enactable.

Of course, many aspects of this imperative are investigatable questions. The impossibility was simply a matter of the timing of the Hudson program. We acquired a new orientation without the capability, under the remaining funds from our OEO grant, to develop it in a systematic way. Whatever contribution we made must be exploratory, intuitive, tentative; and it was no more in our interest than in anyone else's to pretend otherwise.

Thus several factors moved us toward the decision we made last fall to produce two overview documents, representing two characteristic ways of looking at our subject. Irving Leveson's report derives from the training, experiences, and temperament of a liberal economist whose years in municipal government reinforced a preference for focusing on measurable phenomena and solvable problems. My approach reflects the historian's tendency to stress and honor complexity, and a more conservative view of the national social policy role. What follow are the major conclusions my approach produced.

Summary of Recommendations

Despite its large liberal majority, the Ninety-Fourth Congress appears unlikely to enact major social policy measures. As attention returns to this area, we may expect heated conflict between those who propose reappraisal of the objectives defined at the turn of the decade, and those who regard the call for a fresh look as harmfully diverting energies and attention from urgent, well-defined tasks. Placing myself solidly in the first of these camps, I suggest that the following efforts should top the agenda:

1. A return to incrementalism

Several aspects of the existing welfare system have become objectionable to many people. One of these is the preferential treatment of "female-headed families." A second is the inter-state differences in eligibility and benefit levels. A third is the large amount of local administrative discretion: this is criticized from the right (for the cities), and from the left (for the South). We have become habituated to the assumption that welfare reform must tackle all these objections at once. However, it should be clear that nationalized administration of the system cannot satisfy both the liberal and conservative criticisms of its present administration; that standardization of benefits and extension of eligibility to "male-headed families" do not require nationalized administration; and that there is no commanding reason why all three innovations should be initiated at one time.

In an area so emotive, and involving so many people, so many transactions, the assumption that innovation and rationalization can successfully be pursued simultaneously is suspect. Its wishful-thinking aspect is suggested by the absence, in the vast literature on welfare reform, of any serious investigation of our capability to operate a national "negative income tax" program at acceptable levels of error and fraud. The analogies casually invoked--the administration of social security and the income tax--are poor. The IRS offers a net gain to no one. Social security supports an exceptionally easy clientele. It may well be that a centrally administered welfare program will not become technically feasible so long as we have to utilize the primitive method of sending pieces of paper through the mail.

Further, the great expansion of the food stamps program has extended significant support to "male-headed families" and it has narrowed interstate differentials in the total income of welfare recipients. Third, sweeping reforms may not be enactable, for the simple reason that benefits cannot be standardized at the level obtaining in the "industrial" states. The problems raised by this fact significantly contributed to the demise of President Nixon's Family Assistance Plan, and these problems have not gone away.

In this situation, our best bet is a serious effort to stabilize the unintentionally evolved dual system of food stamps and AFDC by means of minor structural changes and "housekeeping" improvements. This approach by the President would (1) minimize dependency on Congressional action (and might be regarded on the Hill as taking Congress off the hook); (2) capitalize on the superior potential of known programs for budget projections and cost control; (3) minimize disruption of "the rules of the game" for the poor; (4) take advantage of lesser popular biases against food stamps than against welfare; (5) provide a much-needed "given" so that study of possible auxiliary measures, such as housing allowances, does not occur in a vacuum; and (6) rationalize a structure that can be modified on the basis of experience to further reduce its inequities, centralize administration, or whatever is desired.

Similarly for the health care area. To suppose that the uncontrollable costs which plague Medicare and Medicaid can be remedied by subsuming these programs under a national health insurance plan which operates on the same provider-reimbursement principle is absurd, yet this is what the public has been led to believe. We need to reduce the outrageous inequities of the Medicaid program. We need better protection against catastrophic medical costs. Each of these problems is sufficiently complex to call for its own solution. As recession pressures diminish, we may also wish to experiment with providing comprehensive health insurance to a normal population: for several reasons, the most attractive candidate is children under six in families with incomes below the national average. Additional problems related to the distribution of physicians, their over-education (and price) for much of the work they do, the way hospitals are run, and other issues of medical economics require several attention. So does the possibility that foreign example is less appropriate for our circumstances than a regulatory, public-utility model for the national social policy role in the medical area.

2. High priority for housekeeping measures

Expecting social security and Medicare, most of the national social dollar is disbursed by means of federal aid to states and localities. In unadjusted dollars, these outlays considerably more than quadrupled between 1965 and 1974. During the same decade, federal civilian employment increased by about eight percent. This imbalance means that our potential for effective accountability for the use of our income tax dollars has been drastically reduced. Sophisticated program evaluations are for several reasons no substitute for careful quarterly inspections and audits of every operating facility that receives federal funds. The latter measure aspects of performance that administrators know how to do well--or can quickly be motivated to learn. In their absence, the reputation of the national government will continue a downward spiral that is most pronounced and alarming in those low-income areas where a basic function of social programs should be to embody and communicate national values and aspirations.

There are two ways to restore federal civilian employment to something closer to its traditional relationship to federal outlays: increase the inspection force and/or reduce expenditures. The latter is the less desirable: there are many useful and interesting things that will not be done unless the national government does them, and reneging on services presently being rendered to people who need them is not a casual undertaking. Some economies may be practicable, but primarily we need to reappraise a bias against increasing federal employment that has persisted since World War II, and is now doing us more harm than good.

The second necessary housekeeping reform relates to the disbursement of federal aid. Uncoordinated disbursement of the amounts that are now involved may be assumed to have counterproductive effects, the obvious candidate for illustration being the dozens of programs that have poured money into poor neighborhoods of financially troubled cities. Far from improving the economic viability of these cities, federal aid has dangerously increased their dependency on outside money, and it has produced a generalized inflation of the costs of all city services, with especially harmful effect on those less-aided urban amenities--libraries, museums, etc.--that make city life attractive to the middle class.

The funding of local and regional planning groups is an illogical solution to the problem of irrational aid disbursement. Whatever the pros and cons of "national planning," we need this type of national planning capability. At present, the particulars of decision-making are scattered among minor officials in HEW, HUD, and elsewhere, while a Congress whose members represent the interests of particular places devotes an absurd share of its time to assuring that new legislation provides something for everyone and that facilities already in operation are not eliminated.

We should move toward centralizing decision-making and, to the extent possible, reducing it to a routine. It should be possible to organize our 37,000 units of local general government into some thousands of federal aid districts; to monitor significant economic and social indicators for these districts; to process these data by reference to several kinds of typology of place; and thereby to determine how much money goes to various districts and for which of the purposes for which local application has been made.

For half a dozen reasons, it is obvious that such a system has to start out small. But a majority in the Congress might see advantage in passing the buck on disbursements under new programs--and on new disbursements under some existing programs--to a system of this type. Minimally, a majority might favor appropriating funds to develop the basic disbursement-planning capability. Preliminary to this, it might approve a feasibility study. We cannot expect quick, dramatic action. Unless public sentiment develops, we cannot expect any action. But, again, the scale of present outlays creates results and hazards that take the issue of accountability out of the realm of fastidious distaste for pork-barrel politics.

3. Equity issues must be addressed

Part of the legacy of the 1930's has been a public housing program that has never been funded sufficiently to aid more than a small minority of those who are technically eligible for assistance. The 1960's multiplied programs of this type, leaving us with 900 Community Action Agencies, 160 neighborhood health centers, Headstart programs which serve only 350,000 pre-schoolers, and many more affronts to the principle of equal treatment of equals. "Demonstration project" and "seed money" rationales for such programs have proved faulty. Alternative sources for follow-on funding rarely emerge, and Congress is unwilling either to eliminate support of presently funded facilities or to move toward fuller coverage of the eligible population. The result is sterile policies of "no starts, no expansions," combined with demoralizing insecurity of operating personnel and resentment on the part of unserved needy people.

A moratorium on new "underfunded" programs is undesirable (and politically infeasible). However, under some level of funding, "rational" disbursement planning (as suggested under Recommendation #2) uncomfortably resembles a lottery. Innovative programs which are not bound by the procedural strait-jacket of a research rationale have a place, but criteria for site-selection must be devised.

One possibility is a return to special national concern with chronically depressed areas. Given the traditional postulate that the national government should concentrate on those tasks that lie beyond the capabilities of state and local government, the task of area redevelopment has an appeal that should not be eclipsed by the disappointing results of the efforts of the Sixties. However, the utility of the depressed areas concept in connection with the equity problems of national social programs does not require massive investments and elaborate strategies. What is needed is an acceptable decision-making mechanism. The suggestion is that, where appropriations for social programs are below a to-be-determined level, site selection should be restricted to the subset of the proposed federal aid districts that have met depressed-area criteria for a specified number of years.

4. Commitment to work values

One aspect of the backlash against the poverty war was a downgrading of the national government's commitment to work values. It became fashionable to say that the problem with the poor is that they don't have enough money, and that efficiency in remedying this problem is incompatible with serious enforcement of the work requirements of present or proposed welfare programs. This construction ignores the psychological needs of many millions of workers whose jobs offer little more than wages and "the dignity of self-support." It ignores the improbability that any welfare reform will provide as high an income as many who receive it are potentially capable of enjoying from earnings, "potentially" meaning given motivation, in some cases training, in some cases family planning services, and, of course, available jobs. And it ignores the high probability that, for some decades at least, most able-bodied recipients of welfare--whatever we call it--will be regarded and will regard themselves as second-class citizens.

Until we acquire some other measure of the individual's social value that is as potent as "self-support" is today, social policy's mandate to promote the general welfare does not allow for treating paid employment as a taste or preference. Especially if we enlarge access to income support, it is necessary for the national government to have a vital presence in low-income areas with some such name as the Office of Economic Opportunity possessed. Ideally, such an agency should supervise or coordinate all governmental employment efforts, thereby blurring the invidious and somewhat artificial distinction between "work requirements" and "work opportunities."

A reform of this nature cannot be seriously considered until the current experiment in special revenue-sharing for manpower programs (CETA) comes up for renewal. However, this factor of timing may will coincide with sufficient reduction in the problem of general high unemployment to warrant a pruning of recession-response measures and a refocusing of attention on the endemic problems of low-income areas. In other words, contextual changes make it unlikely that CETA will be mechanically extended beyond mid-1977, and the confusions created by current crisis-response requirements may well be construed by that time as having discredited or sabotaged this particular application of the revenue-sharing concept.

It would be unfortunate if preoccupation with welfare and health insurance proposals means that the anticipatable need to reorganize manpower programs for the post-recession period is neglected until CETA's expiration is imminent. Employment policy, including the vocational and "pre-vocational" activities of the schools and the unresolved issues of implementing equal opportunity objectives, is a central component of the national social role. Not only must this be recognized; effective institutional means must be devised to communicate the continuing importance of social policy's commitment to improve the labor market position of the poor.

The original OEO blurred this message by addressing itself to the full range of means for eliminating poverty and mitigating the hardships of the poor. Such an advocate role is not unique in the federal structure, and OEO's lineal successor is appropriately charged with this function of studying and promoting the shared interests of low-income people and neighborhoods. However, no aspect of this concern--employment, education, health care, income transfers--is wholly a subtopic of "poverty policy" in either its values or objectives. The concept of economic opportunity needs an organizational structure which defines it as something more than one of the means for reducing poverty. CETA's expiration date gives us two years to decide what this structure should be.

CHAPTER I

POVERTY POLICY IN PERSPECTIVE, 1900-1980

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The First Generation

Before World War I, American Progressive liberals, like laissez-faire liberals and traditionalists, made a sharp distinction between poverty and pauperism. Poverty was a common lot; especially, the money poverty of the farm family was part of the personal experience of a large majority of Americans or their parents, either in this country or abroad. There was nothing shameful about being poor, per se. Indeed, in the nineteenth century small-town and small-farm cultures of New England, the southern Piedmont, and the great Midwest, the relatively poor usually regarded themselves as morally (and sometimes intellectually) superior to people of wealth.

But pauperism was always shameful. Even though most Americans who were "habitually" dependent on private or public charity were patently and pathetically unable to care for themselves, the term carried strong connotations of laziness, shiftlessness, profligacy (or past profligacy) and dissipation. This dichotomy resulted from the confusion of fear and fact, and this confusion was formidably reinforced by the major developments of the half century after the Civil War, with industrialization, urbanization, and the massive immigration of southern and eastern European "races" combining to intensify the fear of epidemic pauperization. Industrialization created a working class many of whose members could not support even a small family on their wages, and it made the business cycle a major fact of American life, with each decade seeing several years of large-scale unemployment and raising fears that workers who had received "outdoor relief" would be in no haste to return to twelve hour work days in the unpleasant environment of the typical factory or mill.

Second, rapid urbanization coagulated deprivation, packing the poor into slums, disrupting traditional patterns of kinship and neighborly assistance, requiring the substitution of organized charity (public and private) for the improvisations of settled communities, and, as cities always have, attracting disproportionate numbers of social deviants and misfits, and either creating more or making it seem that this was occurring.

Third, the "new immigration" magnified religious and ethnic frictions such as the Irish and Germans had generated earlier in the century (and other ethnic groups before them). The differences between the new immigrants and the so-called "native stock" were understood in the best circles to be genetic as well as cultural. Nativist disapproval of the Italians' and Poles' Catholicism, large families, and disinterest in abstinence from alcohol were glossed by scholarly theories about the moral and physical weakness of Slavic and Mediterranean stock.

All of these factors conduced to a fear of losing control, and contributed to near-universal agreement that "relief" must be hard to get and demeaning to receive, if massive pauperization was to be averted. Typically, this belief gained an optimistic dimension by association with the industrializing society's faith in the ultimate ability of economic growth to eliminate poverty. According to this argument, the dispensing of charity with a stern hand was in the deepest interests of the poor themselves (as, of course, was Prohibition). Unless the temptation and means to pauperization were strictly curtailed, the economy would stagnate and decline (viz., the bread and circuses of ancient Rome). Thus the first generation of modern democratic liberals, while they rejected the Jeffersonian tradition of the best government being the least, had no doubt that a lumpenproletariat class existed, no inhibitions about referring to its members in the most scurrilous language, and no doubt that the workhouse was preferable to "outdoor relief" as a deterrent to indigence.

The Second Generation

Ironically, the effective challenge to this way of thinking was triggered by the most severe and protracted Depression in our history, but the role of the relative cut-off of immigration after World War I should not be ignored. If the Depression dramatized the relation of pauperism to forces far beyond individual control, the reduced numbers of recent immigrants in the industrial workforce greatly facilitated propagation of the theme that the poor--often specifically the American poor--would take jobs if there were jobs to be had. Also, of course, the rate of city growth (and its pathological consequences) had greatly diminished by the 1930's, and most of the reduction of the average workweek that has occurred since 1890 had been realized before the Depression. (Indeed, fifteen years earlier, with the eight-hour day still fairly uncommon, the far-sighted were anticipating the next logical step, the six-hour day.)

For all of these reasons, the second generation of modern liberals was able to feel and invoke national pride in the poor who had the backbone to subsist on their own resources, however meager; who only turned to charity or government as a last resort; and whose interests, together with the national interest, would be best served by enlarging the availability of public assistance and reducing or eliminating its demeaning aspects.

Of course, many of the New Deal's social welfare measures were not created out of this new way of thinking, although their passage was abetted by it. Social insurance to protect the worker and his family from destitution due to old age or unemployment (subsequently enlarged to include workers' widows and orphans and "totally and permanently disabled" workers) had become part of the liberal canon several decades earlier, as had the aim of "a floor under wages and a ceiling over hours" and, for that matter, national health insurance, which had even been favored by the AMA in its youthful years. Such measures, like pure food and drug laws, factory safety legislation, and workers' compensation for occupationally incurred disability, had come to appeal to Progressive liberals as logical auxiliaries to a harsh relief system, in the context of the commitment to economic growth. Typically, these reforms were promoted and occasionally enacted with emphasis on improving the workers' productivity, but it took the Depression to break the back of judicial resistance to this construction of the general welfare.

The New Deal eliminated part of the problem of pauperism by establishing programs that redefined many future members of the indigent and near-indigent population as insurance beneficiaries, with the taxes which supported them redefined as "contributions." This semantic solution was immensely costly, since the fiction of insurance necessitated that all "contributors" to the system be eligible for benefits, even the millionaire, but it also proved immensely popular. While programs of this type originated in Bismarck's Germany, the idea of universal protection of workers and their families from adversity of kinds that might befall anyone acquired a powerful appeal to democratic American sensibilities.

This was much less true for the public assistance provisions of the protean Social Security Act of 1935. These provisions combined federal and state funds to meet the immediate income needs of destitute fatherless families (the program now known as Aid to Families with Dependent Children--AFDC) and of the elderly and disabled (the program recently nationalized* as Supplemental Security Income--SSI). To the public, this was still old-fashioned "outdoor relief," and such popularity as it possessed in a decade of economic distress hinged on the validity of the New Deal liberals' challenge to traditional fears of pauperism. Like that other innovation, public housing, "welfare"'s attractiveness required the hypothesis that applications for aid would dwindle to nearly nothing as prosperity returned.

What was not foreseen was, first of all, that federal subsidies would almost immediately result in widespread relaxation of traditional local moral restrictions on eligibility for assistance. While A(F)DC rolls did decline during World War II, the ratio of aided orphans to illegitimate children and those abandoned by the father began to decline even earlier. When rural blacks flooded the larger Northern cities after the war, their looser family structure and more casual attitude toward illegitimacy did not create but merely intensified the altered character of ADC.

This is not to say that older precedent was quickly discarded: if welfare rolls rose between 1945 and 1950, they dropped between 1950 and 1955, and, except in New York, their subsequent up-turn did not really take off until 1968. It is also true that, during the 1960's, the black percentage of "welfare mothers" did not increase at all, but it did increase greatly during the previous decade, and the absolute numbers of blacks as well as of whites on welfare have, of course, multiplied several-fold since then.

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*To be precise, the funding but not the administration has been "nationalized."

The Third Generation

So the New Deal liberals were wrong, by the simple standard of counting heads, and they were more profoundly wrong in misapprehending the psychology of a society that in thirty years would become affluent beyond their wildest dreams. When poverty once again became a major social issue, the reason was not that the poor were so numerous but that they were so few: That anyone should go hungry in a society where nearly every family owned a television set was a blot on the national conscience.

This was one new theme. A second was the relativity of poverty. Gallup polls show that, while the public's estimate of the amount of income a family needs to get by rises less rapidly than the rise in real incomes, it rises considerably more rapidly than the cost of living. In other words, poverty, as an object of social perceptions and social policy, is relative to conditions of time and place. When the residents of the county jail get a "full turkey dinner" for Thanksgiving, how can one argue that welfare families should not get the same?*

These reorientations became very significant in connection with the issue of income support for the poor, but their initial impact on public policy--the war on poverty--was more complex. During the Kennedy Administration, social policy was mainly influenced by anxieties, not by the guilt or generosity of the affluent. Three recessions in the Eisenhower years, with limited employment recovery in between, revived traditional fears of machines displacing workers. The spectre of massive, rising technological unemployment seemed very real, and the need to retrain those so unemployed was compounded by Cold War fears that had themselves been compounded by the shock of "sputnik." Out of this came the Manpower Development and Training Act of 1962; out of more generalized fear of economic stagnation came the Area Redevelopment Act of 1961 (following six years of effort by Senator Paul Douglas). Sputnik also triggered the first major federal venture into the previously forbidden land of aid to the public schools: this, characteristically, was the "Defense Education Act."

The residual influence of these two themes--getting the country moving again, and keeping ahead of the Russians--partially explain why what was called a war on poverty was, in fact, a war on pauperism, launched by the Economic Opportunity Act of 1964 and spearheaded by the Office of Economic Opportunity. The aim, as the rhetoric put it, was to break the vicious cycle of poverty by helping the poor to help themselves. While the aim was also stated as eliminating poverty, the most publicized and popular themes were the commitment to educating and training the children and youth of poor communities, and to salvaging the "hard-core unemployed."

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*Also, even with a constant poverty line, affluence generates new poor households by the process called "undoubling." Young and elderly people who, in the past, would have been forced to live with kin are able to manage on their own. In this sense, also, poverty is relative.

This emphasis was explicitly contrasted to the income-maintenance emphasis of federal social policy in the post-Depression decades, and one of the minor but useful ways to view it is as an episode in a very long war between the proponents of the view that poverty policy should center on efficient, orderly programs of income support and those who prefer to stress the role of the helping professions (social workers, teachers, psychologists, community organizers, etc.). This other "war" helps to explain the venomous ridicule that was heaped on the poverty warriors by their intellectual peers a few years later. In particular, the common contention that these people had "naively" aimed to substitute economic opportunity programs for income support finds no serious support in the documents of the time.*

Scarcity vs. Affluence Thinking

As suggested above, the initial motifs of the poverty war developed at a junction of scarcity thinking and affluence thinking. One more characteristic of this junction needs to be mentioned: the dramatic alteration in white attitudes about the rightness of racism that had occurred since 1940 and had been honed by the civil rights struggle. Martin Luther King himself perceived that the economic problems of Negroes could best be approached by emphasizing poverty as well as race, and, indeed, much of the social literature of the Sixties uses the terms poor and Negro or black almost interchangeably.**

The white public of the mid-1960's was ready for a war on pauperism that would disproportionately expend its funds on Negroes, first of all, because it was prepared to view Negroes as fellow humans, entitled to equal opportunities for economic advancement, but also because efforts to reduce economic dependency among Negroes gained appeal from the rapid urbanization, "Northernization," and "welfarization" of rural blacks in the post-war years. In other words, the racial aspect of the poverty war may also be usefully understood as combining components of scarcity and affluence thinking.

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*The diversion of energies within OEO to fighting poverty rather than pauperism is discussed in Chapter VI.

**References to the poverty war in the earlier official pronouncements, such as budget messages, assiduously avoided racial references to the poor in order to avoid rankling Southern sensibilities.

There is no intention, in offering this mode of analysis, to imply that scarcity thinking is mean and narrow while affluence thinking is full of sweetness and light. Certainly, a major component of the affluence thinking of the 1960's (and of the 1950's) was elite revulsion at the materialistic excesses as well as the persistent inequalities of what came to be called a sick society. The extent to which this variant on traditional intellectual and bohemian scorn for the bourgeois influenced the attitudes of the general public is debatable,* but the influence in the schools and colleges and on elite attitudes toward social policy matters was many-faceted and profound.

Disaffection from the Poverty War

For present purposes, the specific effect of interest was the tendency to undercut the poverty war's basic rationale: why should we strive to bring the poor and the black into the economic and social mainstream of a rotten culture? Was not the "poverty culture" or the "black culture" in many ways more admirable than Levittown? Rather than minor tinkering, the sickness of our time called for nothing less than the radical "restructuring" of our society, or so it was contended (with lavish press coverage) on the nation's campuses, at its upper-middle-brow cocktail parties, and among the bolder young spirits of Washington.

However, as implied above, it is not at all clear that this alienation influenced the general public's view of the poverty war. Most probably, their disaffection resulted neither from a reduced desire to improve the employability of the poor (and black) nor from disappointing evaluations of poverty programs such as Headstart and the Job Corps. Almost certainly, the dominant influence on public sentiment was the appalling developments that seemed to be concentrated in the same urban areas as the poverty programs: devastating riots, soaring crime rates, the heroin epidemic, the welfare explosion, the alarming deterioration of achievement and discipline in inner-city schools. It seemed that federal money and federal programs had opened a Pandora's box of evils.

Initially, public consternation about these matters focused on the more controversial of OEO's programs, especially its legal services to the poor and its Community Action Agencies, but a great many OEO and related programs were immune from this line of attack, although not from the lines of attack of those who waved the "sick society" and "efficiency" banners. Moreover, a curious thing happened on the way to 1975. Not only did the popular OEO programs retain their lease on life; the once-controversial ones acquired such solid political support that President Nixon's most determined efforts failed to abort the Congress's determination to continue to fund them.

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*One piece of evidence of _some_ effect has been an extraordinary decline since the mid-1960's in the percentage of Americans telling the pollsters that they have a great deal of confidence in the leadership of medicine, education, big business, government, and other institutions.

The most obvious lesson to be learned from this turn-around is that getting a program enacted by Congress is the next best thing to giving it a ticket to immortality, especially if the program reaches some constituents of a majority of Congressmen. But a second lesson may be that the poverty war's aim responded to deep-seated American abhorrence of the idea of intergenerational poverty. Like the earlier national commitment to try to break the "vicious cycle" by universal access to elementary and, later, secondary education, the new commitment, once instated, would be very difficult to reverse.

And, as with public schooling, the crucial word was to *try*, a point overlooked by the cost-effectiveness enthusiasts. An affluent society could afford to try to accomplish difficult alchemies; it could afford costly obeisances to its fundamental values.

By the crude criterion of survival, most of the anti-pauperism programs of the Sixties have proved successful, and some have thrived. Born at the interface of scarcity and affluence thinking, they have survived the spiritual sickness bred of affluence doubtless in part because they were fed by conscience money (and never by exorbitant amounts of it, at that), in part because they created vested interests, but also for reasons more profound.

And, of course, all three of these explanations are traditional. The psychology of affluence is not a product of post-war conditions uniquely but a continuing theme of American life, accounting, *inter alia*, for our squandering of natural resources, our perpetual rebuilding of cities, the unkempt condition of our public forests and our public bureaucracies, our relatively lavish expenditures for education and our relatively niggardly provision for the health and welfare needs of a proletariat that (unlike the 19th century elites of Europe) we did not perceive as genetically destined to remain working-class forever. Probably, also, it could be documented--certainly for the Sixties, the Twenties, and the *fin de siecle*--that our peaks of affluence thinking have always been accompanied by the most intensive and influential eloquence of our alienated intellectuals.

But the Sixties prosperity, like other peak periods, was also *sui generis*, simply because history and, in our national experience, economic growth are cumulative. The Sixties built upon and reacted to its inheritance, and, if one part of this inheritance was the income-support programs of the Depression, a second part was the welfare programs' bankrupt rationale. No longer was it possible to contend that the need or demand for public assistance would wither away as prosperity returned, but neither was it possible to revert to "poorhouse" thinking as a basis for policy reform.

Anti-poverty vs. Anti-pauperism

Affluence dictated renewed commitment to the Depression liberals' aims of making assistance more readily available and less demeaning. Thus, in parallel with the poverty war occurred the liberalization of welfare benefits and eligibility, the institution of a supplementary AFDC program (AFDC-U) for families with unemployed fathers, the improvement of social security coverage and benefits and their amplification by Medicare, new housing assistance programs for the poor and near-poor, a gradual expansion of federal food programs (which would assume explosive proportions in the Nixon Administration), and a new federal-state program to reimburse the costs of medical care for the poor.

But these developments did not comprise a policy package. Conceptually, they did not fit together neatly like the components of the poverty war and the major social measures of the 1930's. Indeed, excluding the programs for the elderly, there was an element of incompatibility between the objectives of the poverty war and the objective of liberalized income and "in-kind" support for the poor. The latter was a curious concept: to some extent, means and end were identical; one liberalized income support for the purpose of liberalizing income support. This oddity allowed the proponents of this means/end to make an invidious efficiency distinction between the poverty war programs and the programs they proposed, since no serious person would contend, for instance, that enrolling a youth in a job-training program was the final objective as well as the instrument of manpower investments. The objective here was, clearly, to make the youth employable. The efficiency of the program was to be measured, not by the percent of eligible youth it enrolled, and certainly not by the amount of money spent on each youth, but by job placement and job retention rates compared to those of comparable youth who lacked the advantage of training.

However, it may also be argued that income support is, or should be, merely an instrument and not a final objective of policy. More than eighty years ago, Jacob Riis in How the Other Half Lives spoke scornfully of "the menagerie view" of the needs of the poor. Historically, preference for the simple dole over efforts to equip the poor to raise themselves out of poverty has often been a conservative position, typically coupled to the Poor Law principle that the value of the dole must always be less than the wage for unskilled labor.*

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*This rule was called less or least eligibility.

Liberals also have generally accepted the Poor Law principle. Indeed, in recent years, a major argument for the reform of public assistance has been the departures from this principle resulting from developments in the Sixties. At the extreme, it was documented that, in New York City in 1972, a welfare family of four, receiving public assistance and average Medicaid benefits, living in public housing, and with one child in a day care center, was receiving benefits equivalent to a before-taxes income of over $11,000, roughly equivalent to median family income in New York at that time.* Even in Georgia, a 1973 study indicated that public assistance, food stamps, and average Medicaid benefits yielded a family of five a higher income than full-time work at the minimum wage.

Changes in Thinking on Welfare

Part of this problem arose from increased welfare benefits and the multiplication of programs, but a seminal development was the introduction of a graduated scale of benefit reductions, enacted to encourage welfare mothers to take jobs by eliminating a formula that reduced welfare benefits by a dollar for every dollar earned. While this reform did not improve the employment rate of welfare mothers much if at all, it created an embarrassing discrimination between those who did take jobs (and continued to receive substantial benefits) and male family heads with similar earnings. A basic conceptual division had been bridged: if society should subsidize households headed by working women with relatively low earnings, why should not comparable male-headed households be aided, too?

The narrow answer, of course, is that this reform was instituted to get these women off welfare or, in some cases, to prevent a working mother whose husband had left her from giving up and becoming wholly indigent. However, this explanation itself entailed a sharp break with the traditional rationale for "mothers' pensions" and for social security survivors' benefits to fatherless families. In the old view, mothers of dependent children should not _have_ to go out and work. As the society's attitudes about working mothers changed (and, not so incidentally, as welfare came to be viewed as mainly a black program), the work ethic became appropriate to apply to the husbandless mother. Since it was unthinkable to eliminate her right to aid, the result was a subversion of the familar work-ethic arguments against extending aid to a comparable male family head.

But even this was not the last barrier to fall. While President Nixon's Family Assistance Plan proposal was limited to one and two-parent families with dependent children, subsequent thought on welfare reform within the Administration echoed developments elsewhere in expanding the target population to include all of the poor and near-poor. The Family Assistance Plan gave way to the idea of a negative income tax or a tax credit program for redistributing income; and this remains the dominant interest today.

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*Study by Blanche Bernstein of the New School for Social Research, New York City.

Limits to Change

But here I am getting ahead of my story. An important characteristic of the Sixties' wave of largesse in income and "in-kind" support programs for the poor was a lack of coordination that, unlike the proliferation of uncoordinated poverty-war programs, extended to the conceptual level. At least we knew what we wanted the poverty programs to accomplish: we were making a number of short- and long-term public investments in the latent potential of the poor to become productive workers. This was very much in our democratic tradition. But we had traditionally met the income needs of different types of the poor in different ways, appropriate to our cultural perceptions of type. The very concept of coordinating these efforts nearly amounted to a contradiction in terms. While general statements about what an affluent society could and should afford might meet with approval, general application of new principles did not.

It thus became important that, while certain OEO programs were initially linked to the inner-city pathologies of the late Sixties, it was not only the poverty-war programs that were concentrated in the areas of pathology-intensification; these were the areas where AFDC was being liberalized as well. The public may have started by blaming the welfare explosion on the poverty war, but it rapidly shifted to blaming everything else on the welfare explosion. Welfare--not Headstart, manpower training, or neighborhood health centers--was accountable for encouraging illegitimacy and family break-up, discouraging honest employment, providing money for drug abuse, and teaching slum children that a check from the government was the normal, respectable alternative to a criminal career.

The public judged welfare much as the efficiency experts judged manpower training: by behavioral results, not the number of people reached. Thinking might be fuzzy on what the objective was, but it certainly was not the production of junkies, muggers, broken families, and children who could not read.

Whatever the merits of the popular causal analysis, it has to be read as documenting the political inviability of the tautological rationale for income support of the poor, and, therefore, the political unreality of the argument that income support programs are more efficient in accomplishing their objective than economic opportunity programs. While the public reaction cannot be construed as predicating the success or acceptability of welfare programs on their rate of progress toward zero enrollment, there was a clear message that the behavior of aid recipients remained an important criterion for program evaluation.

Nor was this sentiment limited to "middle Americans." Except for some economists, few of the highly educated proponents of the negative income tax and similar schemes regard the esthetic value of a simple, mechanically operating system of income support as sufficient rationale. A common next step is to view such a system as an instrument of social justice--and who would say that we should not move toward a just society?--and a not uncommon third step is to invoke the Pellagian belief that, evil being the product of environment, the poor will behave much better if they are treated more justly.

Of late, John Rawls's The Theory of Justice (1971) has provided the touchstone for articulation of this view, but the view is essentially similar to that of the New Deal liberals except that faith is reposed in the redistribution rather than the renewed generation of wealth. But, of course, social security and public assistance redistributed income. The difference is not that great, if we concede that the New Deal liberals would have defined the material millennium somewhere short of a trillion dollar GNP.

Differences from the Thirties

Still, there are important differences between Seventies and Thirties thinking, although their extent of diffusion to the general public is unclear. One lies in the division of responsibility for attaining a just society. The Depression generation reposed much responsibility in the poor individual. Faith that he would take a job, were jobs to be had, was also a command: if you are worth our efforts, you will behave in this way. The society's obligation to institute welfare programs was matched by the individual's obligation to resort to them only in extremis.

The Sixties and Seventies have seen a good deal of rhetoric and not a few scholarly studies undertaken to document the welfare mother's strong commitment to the work ethic, but the trend of public policy has been to shift to the state the responsibility for stimulating socially desirable behavior. AFDC reforms of the Sixties illustrate the two styles of the trend: welfare mothers were legally required to undertake job-training (although, characteristically, this program was and is under-funded), and, as mentioned earlier, "work incentives" were grafted onto the AFDC program by means of a graduated reduction of benefits as earnings rise. This latter reform was borrowed from the negative income tax theorists and it is integral to all current proposals for enlarging or replacing the present welfare system, despite the fact that it greatly increases the cost of providing an adequate basic benefit to a family whose head is genuinely unable to work at all.

Second, despite the redistributionist character of the programs of the Thirties, the emphasized objectives--concisely stated later in FDR's phrases "freedom from want" and "freedom from fear"--built on the personal character of traditional charity, while evoking the empathy of an anxious public. Subsequently, anxieties have been allayed (to the point that in the Spring of 1974 fewer than ten percent of workers in any income group regarded security as the most important aspect of a job, and only a fifth of the lower paid workers considered income more important than subjective satisfactions or opportunities for advancement), and also empathy has become attenuated. Even in the Fifties, most adult Americans had experienced the mixture of generosity and meanness, calculating and irrational behavior, resignation and anger, that go with a life dominated by endless petty economies, faulty plumbing, cold hands and feet, nagging creditors, and the effort to keep up a good appearance. Before the Sixties (and, indeed, before the Depression) there was widespread understanding of what it was like to be poor, and this understanding perpetuated both liberal and conservative forms of a paternalistic style in poverty programs.

Certainly, the objectionable features of paternalistic charity are not newly discovered. The New Deal's intention in instituting social security--a nationalized, mechanized, impersonal system of income support--was to assure that steady workers who fell upon hard times because of old age would not suffer the indignities of charitable assistance, but this, at least in theory, was an earned exemption, and the elderly were a harmless group upon whom to bestow it, since their future labor was not important to the economy.

But it was not until the late Sixties that a substantial constituency developed for the proposition that all of the poor should be treated this way. So long as the common experience included close-hand acquaintance with poverty, there was personal resentment at loafers and sluts who got something for nothing, and there was a commitment, with both religious and secular roots, to a style of service in which individual need was judged and met on a face-to-face basis.

Ninety years ago, Amos Warner, acknowledging this commitment, saw it as a reason why aid to the poor should be left to private charity:*

> "It has long been a principle that any work was suitable for government to do in proportion as it could be reduced to a routine and done in a semi-mechanical way. As the work of

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*American Charities (1894). Quotation from the 1908 edition, revised by Mary Roberts Coolidge.

> giving outdoor relief should not be done in this semi-mechanical way, it is unsuitable for public officials to undertake."

What the late Sixties did was to accept Warner's logic but turn his conclusion on its head: since government could only do work well "in proportion as it could be reduced to a routine and done in a semi-mechanical way," we must reform our welfare programs to conform to this specification.

Granted, this sentiment was a proximate response to the administrative costs, confusion, waste, and scandals of the poverty-war programs. Indeed, the importance of taking this reaction aspect seriously should not be understated, because such reactions have occurred before. Since the similarities to the course of poverty policy in the Sixties are as interesting as the differences, I digress to quote a contemporary account (the narrator was Mayor Seth Low) of what happened in Brooklyn during the depression following the Panic of 1873:*

> "The friends of politicians received help whether needy or not.... Families with voters were the first served. The 'outdoor relief' appropriations became a vast political corruption fund. Large numbers of the population were taught to rely on the county for help, and sought it for no other reason than that the county gave it. One woman received help under nine different names. Many sold what they received. Men came from the country every autumn to live at the expense of the city during the winter....The poor did not get the chief benefit of increased appropriations. Most of it went to underlings connected with the work of distribution....
>
> "In 1875 the Commissioners of Charity employed paid visitors to investigate the cases of applicants for relief; and it cost sixty cents to distribute every dollar's worth of food or fuel. This was so monstrous that public clamor compelled a change. In 1876 the visiting system was abandoned, and all applicants were compelled to take oath that they were paupers. As may be imagined, the result was horrible. Moreover, many who lived in New York availed themselves of such easy opportunity to be fed in Brooklyn."

Of course, historical parallels are perilous. What happened afterward in Brooklyn, by Warner's account, was that, in 1878, "the whole system having been discovered to be illegal, it was suddenly discontinued," and private charities resumed full responsibility for outdoor relief. (Also, the economy recovered.)

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*Quoted in Warner, op. cit.

Poverty As an Abstraction

But the late Sixties' different reaction to a similar series of developments is only partially explained by the entrenched fact of the public assistance system and the ethical mandate of an affluent society. These combine with the image that poverty has acquired in this affluent society--somewhat a black and "Spanish" stereotype, somewhat an abstraction (like "sin" to a cloistered nun)--to rule out the theoretical option of using our wealth and technology to personalize our provision for the needy. Rather, poverty is construed as a mathematical problem--how many people are below a particular level of income (say, 2x) and how many dollars would it take to raise those with no earnings up to level "x" and to provide an earnings supplement with 50% "tax rate" up to the 2x line? And as a set of economics problems--what benefit level is adequate for an academically-defined "economy budget"? what will be the effects on "labor supply" of the program's work incentives and disincentives? And as a set of systems analysis problems--how many regional centers to process claims and disburse checks? how full an income accounting ("imputed" rent" for the homeowning poor?), how long an accounting period? if accounts are only squared once or twice a year, except on appeal, what to do about overpayments?

These illustrative questions have been listed roughly in ascending order of picayune character and practical difficulty. This has been done to suggest that treating poverty as an abstraction, even if politically feasible and ethically congenial, is not especially easy.

I will have more to say on this subject later, but my concern at the moment is the changing values, attitudes, and moods of the American people and the liberal subculture in particular. Here the point is the remarkable uniformity with which, around the turn of the present decade, the American culture came to regard "welfare reform" as a synonym for the nationalization of public assistance. This uniformity has had a narcotic effect on public debate in Congress, the media, and the universities, although it is true that, after the failure of the Family Assistance Plan, HEW spent some time half-heartedly developing a never-published "menu" of alternative welfare reforms.

Today there is much hostility--understandably so--to critical questions about the accepted model of welfare reform, not to mention the offering of alternative models. Repeated failure to pass the Family Assistance Plan despite its very broad-based support has taught the lesson that enacting major social legislation requires dogged persistency. (Looking at the sixty-year drive to enact government health insurance, one might even say superhuman persistency.) To throw away the plans and start over at this late date is regarded as the height of irresponsibility.

But the persistency lesson is not that clear. Neither for the New Deal's social programs nor those of the poverty war does the persistency thesis have much bearing. Looking at the poverty war (and at its staying power, once enacted), one might rather conclude that major social programs come out of the complexities of mass and class psychologies in an almost entirely unpredictable way. The poverty-war programs had no real foundation in public policy and public program theory, or in European precedent. The lesson they seem to support is that, when the time is right, any bright idea can have its day.

Reasons for Supporting "Welfare Reform"

Shall we ask, then, "Why was the time not right for the Family Assistance Plan?" No, because the time was right, very probably. Had the FAP been offered in a national referendum in 1970 or 1971, there is every reason to believe it would have passed, but our Constitution does not call for this procedure. At the federal level, our only formal means for the expression of public sentiment is through the election of individuals--even Constitutional amendments are not presented for popular vote--but, oddly, this inefficiency has never been seriously challenged. Indeed, in a recent Louis Harris poll, 57% of respondents went so far as to endorse the statement: "It is better as a check to have a President of one party and a Congress controlled by the other party."*

Bearing the prevalence of this attitude in mind does not prevent us from concluding that the failure of the FAP was a historical accident, and that we should keep on trying until the wheels mesh correctly, but it does raise questions about which wheels the public wants to mesh. After all, at the time of the Harris poll, the autumn of 1974, amid great anxiety about double-digit inflation, rising unemployment, the possible recurrence of fuel shortages, one would hardly expect a majority of the public to be looking favorably at limits on the government's quick-response capabilities. Further, the practical effect of six years of divided government had not been a "check" on but a mindless doubling of social welfare outlays, while the mushrooming economic ills, if not the "fault" of divided government, were at least its accompaniment.

Thus it is at least arguable that the positive vote on the Harris question would have been considerably higher five years past, and that the kind of wheel-meshing it commends is, on reflection, more congenial to most Americans than "efficient" response to their momentary moods. Also, of course, there is much evidence that, pre- and presumably post-Watergate, the public takes a dim view of the capabilities of government officials and bureaucracies, although it also consistently thinks that we are spending too little for a number of social purposes.

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*Syndicated column, Ossining Citizen-Register, November 4, 1974.

In any case, the fruitless thrashings about that culminated in the demise of the Family Assistance Plan can be construed, inter alia, as what was really wanted by a public that had too many reasons for liking the Plan. These reasons, the ephemeral as well as the enduring, are worth listing, because social welfare public policy debate is still couched in the terms of 1970, and we need a clearer sense of what these terms were and are.

What, then, were the reasons, five years ago, for favoring the nationalization of welfare? First of all, many people were disgruntled and alarmed by the inability of local officials to stem the growth of the welfare rolls. Their urge to pass the buck to Washington was based in part on attribution of the "welfare mess" to meddling by HEW and the federal courts: if they couldn't leave the system alone, it was better that they take it over, so that everyone would know where authority and accountability lay. Also, the race issue fed the urge to pass the buck. It was not possible at the local level to advocate tightening welfare procedures without being called racist, and most Americans by 1970 didn't like being called racist. This was surely a major unmentioned reason for hospitality to the claim that the welfare mess could be nationalized, computerized, and depersonalized out of existence.

Third, many people believed that liberalized welfare benefits and eligibility were drawing rural blacks, Chicanos, and others to the big cities. This was partly the urban taxpayer's parochial gripe, but the case for equalizing welfare benefits and procedures across the nation in the hope of altering migration patterns was not inherently parochial, considering that Washington was already footing much of the bill. If the reform had the desired effect, fewer of the unskilled poor would come to--or stay in--the high-cost-of-living and riot-prone inner cities, and more money would be infused into sluggish rural and small-town economies with desirable effect on their tax revenues and, by extension, their public services and their attractiveness to industry. Thus, this argument could be phrased at several intellectual levels, and, of course, there were many people who were less interested in the hypothetical issues of migration than in the blatant inequity of a federally subsidized system that gave so much less to the "poor-state" poor than to others.

So, interstate differences provided a powerful set of reasons to favor the nationalization of the welfare system, although, in fact, there is no reason why uniform benefits and eligibility rules could not be administered at the state and local levels. This is also true (fourth) for the extension of welfare subsidies to low-income, male-headed families. I earlier discussed the developing sense that preferential treatment of female-headed families was unfair. While none of the polling organizations seems to have investigated this trend and sentiment, the major emphasis placed on its implementation in the Family Assistance Plan suggests that people who ought to have a feel for the public mood regarded it as a comer (and still do). In any case, the desire for a more equitable distribution of welfare benefits among the poor--by family type as well as by region and state--became a widely voiced reason for nationalizing the welfare system, a reason that tended to work as cloak or cleanser for more controversial or less reputable reasons.

Fifth, a proliferation of poverty programs that was to become even more extreme under President Nixon created a widespread desire for program consolidation. Some saw this primarily as a way to save money, others were mainly motivated by distaste for bureaucrats and red tape, but the equity issue was important here as well. While the public doubtless exaggerated the number of welfare recipients who were living high off the hog from multiple program benefits in 1970, this was becoming a legitimate issue empirically, and its philosophical legitimacy was, if anything, strengthened by the small numbers then involved. However, note that this efficiency/equity reason for advocating welfare reform also falls into the category of those that do not require nationalized program administration.

Sixth, insofar as any level of government in this country has a reputation for clean, efficient, and impartial administration, it is the national level. Throughout the industrial era, liberal reformers have looked to Washington for what was not attainable at the local level. This was sometimes reforms, such as child labor laws and prohibition, that ran up against a wall of vested interests in certain states; it was sometimes measures to transfer wealth from richer to poor places; but it was also the allegedly superior administrative capabilities of the national government.

Seventh, there is the issue of demeaning treatment of welfare recipients. This one is hard to discuss because it has often been used as a front by the "economists" in their war with the "helping professions," and in their pursuit of the esthetic ideal of a mechanically operating transfer system, unsullied by "administrative discretion." Also, those of the wealthy (and others fatigued by the poverty war), whose underlying attitude was, "Give the poor some money, and to hell with them," found it convenient not only to belabor the nonsuccesses of the social work profession, but also to shed a tear for the poor welfare mother whose snobbish case-worker is always barging in to look under the bed.

Eighth, there was the desire to do away with the very concept of a public assistance system, substituting a system explicitly committed to redistributing income from those who have more to those who have less. As previously discussed, many of those who hold this aim escape the means/end tautology by invoking a concept of social justice, often supplemented by an argument that bad behavior by the poor will sharply diminish once the society becomes more just, in their special sense.

Traditionalists vs. Redistributionists

However, while the redistributionists are articulate and influential, it is doubtful that more than a small minority of the public accepts their underlying premises. These are, first, that the fundamental purpose of government is or should be to create a just society; second, that our existing post-tax income distribution is in the main (not just at the fringes) irrational and unjust; and, third, that the central purpose of the tax system should be to shift money in a downward direction.

On the first of these points, it seems likely that a large majority of Americans regards the fundamental purpose of government as to run and regulate limited functions of a not-bad society; government is not perceived as pure enough, or society as awful enough, to justify a savior role. On the second point, I conjecture that, especially with our young-adult-centered age distribution, most Americans think of the issue of income inequality most strongly in relation to their personal expectations of a rising share as they move through their thirties and forties. On the third point, I speculate that the average American holds to the democratic construction he learned in school: the central purpose of the tax system should be to pool citizens' resources in order to provide socially desirable goods and services that individuals cannot so well or at all obtain on their own.

The intent of these speculations is to suggest that there was a very basic division within the ranks of support for welfare nationalization in 1970, with the views that tended to dominate in intellectual circles occupying a different frame of reference from most supporters'. Most people wanted Nixon to clean up the welfare mess. Many wanted the system to serve more poor people more equitably. As the affluence thinking of the Sixties encountered the recession of 1970, concern at the local uncontrollability of the welfare system gained a new dimension, and rapid inflation soon added another. At least for a time, it seemed that the government in Washington, with the superhuman power of computers at its command, could do away with the welfare mess.

The Redistributionist Position(s)

This, I suggest, was what most people meant by "welfare reform," but it was not what the redistributionists meant. Their interest was not to improve the functioning of an existing system by means of reorganization but to create a new system or, more realistically, to establish the groundwork for doing so. They objected not merely to the distribution of authority within the existing system but to its very concept, its inherited ambience of benevolence (and worse) toward the needy on the part of their betters. By what right did a housewife whose husband earned $20,000 a year set herself above a welfare mother? By what right did an engineer, educated at his parents' and the public's expense, think himself better than a migrant farm laborer? Why should a file clerk, working in an air-conditioned government office, with four weeks paid vacation, health insurance, and pension benefits, take home twice as much money in a year as a manual laborer?

The redistributionists' questions have intoxicating power at two levels of attack. First, it is unquestionable that the material rewards for labor are often erratically distributed with respect to the difficulty or social value of the work. This must be conceded by those who differ greatly on their personal constructions of difficulty or social value. Second, material condition is largely determined by luck: of ancestry, of talents, of childhood circumstances, of later "breaks." These two levels of attack are mutually reinforcing, pressing the point that our socioeconomy is far from "meritocratic" but that, even if meritocracy should be achieved, it would still have troubling aspects, simply because people are born with differing potentialities, and some of these potentialities will always have greater value than others in an open market for talents.

The use to which this argument is put depends on the ideological bent of the redistributionist. On the far left, the aim is the classic slogan: from each according to his abilities, to each according to his needs. While it may be conceded that noneconomic incentives cannot entirely substitute for income incentives short of the millennium, our distance from the objective is perceived to be so great that only a revolution can permit its approximation. Most intellectuals who take this position seem not to be activists, but merely profoundly alienated from bourgeois American culture, and strongly dependent on the radical subculture to meet their own psychological needs.

The liberal redistributionist respects the radical and, toward the left of the liberal spectrum, may feel the radical's inferior. The difference between the left-leaning liberal and the radical seems to be mainly that the former has a more pragmatic bent and some reverence for due process. The rest of the liberal spectrum amplifies these virtues or defects. Overall, the liberal position is that, since our present income distribution is so very far from ideal, we must get busy to improve it.

Finally, there are conservatives in the redistributionist camp, who are less concerned with what ought to be than with making the best of what is. The conservative redistributionist perceives the tax system as now functioning in the manner that those to his left believe it should. Unlike the average American, he does not make a sharp distinction between the use of his tax money to support public schools (which his children may not even attend) and to improve the material condition of the poor. Like other wealthy conservatives (or liberals) he experiences the tax system less as mutual coercion for mutual gain than as using his money to benefit other people. Having lived with this state of affairs for several generations, he judges it to be irreversible, and he has made his terms with it. This is true in a practical sense--he has learned how to minimize his own tax burden--but also in an ideological sense. He can listen to the liberal and radical redistributionist arguments without getting hot under the collar, and he can adapt these arguments to suit his own desiderata.

What are these? One is certainly the historically familiar conservative preference for a simple dole over complicated programs that aim to help the poor to help themselves. The conservative redistributionist is strongly influenced by the fact that most of the modern poor are elderly people, children, or adults with severe handicaps. He finds congenial the argument that a mechanical income-support system for such people is less demeaning, but he tends to go far beyond the liberals or radicals in expecting or wanting such a system to substitute for social services and other forms of assistance to the poor. He believes that, in the long run, a simple income transfer system will lend itself better to cost control than the plethora of programs it replaces.

Also, the more conservative proponent sees a redistributionist policy emphasis as economically more sane than placing the burden of providing a living wage to the marginally employable on his own shoulders. He would like to reduce bureaucracies and red tape. He would like the "poverty problem" to cease to distract his attention from more interesting topics. He may also see a sweeping income-support reform as a means to change a tax structure that bears heaviest on the very rich and the poor. He is interested in proposals (or he offers them) to fund a guaranteed income by a national value-added tax, such as is common in Europe, or by some modification of the social security payroll tax.

Since 1970

This concludes my inventory of the reasons for favoring "welfare reform" in 1970. While it must be that the events of the past five years have left an imprint on attitudes, their imprint on public debate and official pronouncements has been negligible, in striking contrast to the sensitive relationship of attitudes and events in the previous five years. The events that one might have expected to alter attitudes and public debate are the frenetic growth of federal social welfare outlays despite a conservative President's apparent commitment to retrenchment; a sequence of increasingly alarming dislocations of the economy which likewise promote the impression of governmental helplessness (or worse); and a remarkable flourishing of opposition to rapid economic growth that does not appear to have been greatly dampened by the specter of another Great Depression.

It probably is not worthwhile to speculate at any length on what effect these developments logically should have had, because this requires us to "net" their logical effects on people who had quite different reasons for favoring welfare reform. For example, conservatives and moderates (the conventional majority as well as the "redistributionist" minority) would tend to respond to the proliferation of programs and costs with a strengthened demand for program consolidation, while liberal supporters might be moved to second thoughts, based on a political judgment that a consolidated program would yield lower benefits to many of the poor than they now receive from AFDC and/or food stamps and other programs. (This, in fact, is the position now associated with Robert Nathan of the Brookings Institution. Whether he will prove a bellwether is not yet clear.)

Similarly, the economy's mishaps and the government's confused role in those mishaps must simultaneously have increased and reduced support for a nationalized welfare system--and, for that matter, support of national health insurance, which is a competing reform not only because it constitutes an additional demand on the tax dollar but because it is presented as a general welfare measure rather than a poverty program.

Nor can the resurgence and popularization of limits-to-growth sentiments be surmised to have had a single effect on the prospects for welfare reform. People who wish to slow economic growth are commonly also committed to income redistribution: i.e., in rejecting the "expanding pie" formula for reducing poverty, they feel called upon to assert that a larger slice of the nonexpanding or slowly expanding "pie" should go to the poor. However, the practical effect of slow-growth and no-growth sentiments has not taken the form of such a balanced program but of increased and politically effective support for a number of disconnected measures that tend to dampen economic growth, such as heightened activity by federal regulatory agencies, compulsory anti-pollution measures, restrictions on economic exploitation of federal lands, and the predicating of innovation on the findings of technology assessment and environmental impact studies. The broad-based support for many such measures includes many people who do not accept either a no-growth philosophy or its income redistribution corollary, but even those who accept both would tend to cry "Foul!" if someone proposed that measures of these kinds, which raise the costs of doing business and the price of goods, should not be instituted unless income redistribution measures are enacted simultaneously. Thus it is not surprising that many spokesmen for the poor and the black have been leery or hostile toward the increased concern of white liberals (and conservatives) with environmental issues, picturing the middle class liberal as a butterfly who flits from flower to flower in the garden of possible reforms.

In any case, developments since 1970--and one might list many others, such as Watergate, the widespread stabilization of local AFDC rolls, and an array of international events--have yielded the result that the welfare system has not yet been nationalized. Further, even with a liberal-dominated Congress, the issue of how much income support a consolidated program should provide may prove intractable, especially if general economic conditions remain unstable.

The Next Five Years: A Pessimistic Scenario

In the most plausible scenario for continuing economic instability, the government would appropriate very substantial funds for the creation of jobs in the public sector, and possibly also wage subsidies to encourage private employers to expand their work force. Existing income support programs would be left relatively as is, although some downward trend in AFDC benefits might occur as funds were shifted to the aid of unemployed and underemployed males. However, the principal program victims of a protracted deep recession would almost certainly be the remaining manpower training, health care, and education programs (such as Headstart*) of the poverty war. Short- and long-term investments in the economic potential of the hardcore poor would come to seem an unaffordable luxury in an extended period of high general unemployment rates. By contrast, among the offspring of the poverty war, the Community Action Agencies, having survived a Nixon death sentence, might regain a prominent role in the area of providing, coordinating, and referral for emergency relief services, related to such crises as uninsured illness, mortgage foreclosure and tenant eviction, and cut-off of heat or electricity. While this speculation ignores both the state of demoralization in many of the CAA's and the improbability that significant federal funds would be channeled through these offices, the postulation is of a challenge to which some of these neighborhood agencies would respond. That the decline of the CAA program might be thus reversed is possible.

Also, a depression, with a drop in the cost of living, might trigger hostility to the beneficiaries of federal programs--most conspicuously the social security pensioners--whose incomes were protected from the general decline. Similarly, elimination of the confusing inflation factor would tend to intensify the revival of the traditional distinction between the deserving and undeserving poor. While concern for helpless children would limit AFDC cut-backs, strong measures to prevent "welfare mothers" from having more babies could become politically acceptable, and there would, of course, be greatly increased efforts to require the unwed mother's family or her child's father to provide support.

A major welfare reform would be a very likely accompaniment to the period of recovery from an extended recession, but its character might differ greatly from the 1970-75 model. The aim to equalize entitlement among areas and family types would retain its appeal, except that there might be a tendency to set the basic benefit low for households with an able-bodied head who is not in the labor force, this resulting from depression-intensified bias against the stereotyped "welfare mother."

Second, while the "negative income tax" formula's graduated reduction of benefits as earnings rise would probably be retained, the mixture of hopes and fears in a recovering economy would work against instating a low benefit reduction rate (frequently termed an "implicit tax rate"). Even a reduction rate as high as fifty percent means that the level of earnings at which cut-off occurs is twice the level of the basic income guarantee for those with no earnings. In a recovering economy, the fear of another downturn would produce contingency estimates of the possible costs of such a program that would make a high benefit-reduction rate--meaning a low cut-off point and fewer potential eligibles--seem preferable.

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*In fact, Headstart serves fewer children today than in 1970 (and served fewer in 1970 than in 1965), despite favorable public attitudes.

Finally, in this scenario the nationalization formula for welfare reform might well face serious challenge. As previously suggested, the aims of program consolidation, uniform benefits, and inclusion of "male-headed" families are not incompatible with local administration, while the technical problems of remote control may well mean that the best attainable centrally (or regionally) administered system would be inferior to the best-attainable locally administered system in its rates of error, loss, delay, and fraud.

The crucial argument for centralized administration is that it eliminates the well-known evils of local administrative and professional discretion, such as racial and other biases in determining eligibility, callous or condescending treatment of the aid-receiver, invasion of privacy, and other departures from even-handed implementation of a legal right. However, there is another side to this story that protracted and widespread economic dislocations might bring to the fore. Such dislocations do not operate uniformly but with great, quick, and sometimes quixotic variation from place to place. The small feedback loops of a locally administered system mean a fast and precise response capability for these variations, at least by comparison to the alternative of remote control. Also, the human suffering accompanying loss of earnings and economic status would, in a protracted depression, place a rising demand on personal services to the needy simultaneously with the rising demands for earnings replacement and job-creation. It takes no crystal ball to suggest that comfort-and-counseling services to the new (and old) poor would tend to be slighted in this competition. However, in a scenario where welfare reform is not enacted until the recovery period, such services could somewhat be piggy-backed on the work of local welfare administrations even if federal funding for the social work component of the system were curtailed.

Probably this kind of pressure would harden and sour as many welfare bureaucrats as would rise to the occasion, but the fact is that a distant computer can't rise to the occasion, any more than it can quickly adapt its check-printing to the enormous increase in irregular employment and earnings that accompanies a serious, protracted economic downturn. Such speculative thinking--which is to be sharply distinguished from the desire to reduce the federal funding role in the welfare system--would probably be natural to the recovery period, as would generally a more personalized view of social policy.

After all, the measure of affluence most people achieve in prosperous times results in the main from economic growth rather than the especial prowess of the worker. It is an experience shared by most of the people one knows, and it is a pleasant and open experience, with abundant behavioral models in the neighborhood and on television to show one how to adapt to each increment in income. But adversity is terribly personal, whether experienced or observed and feared, a point obscured by histories of the Great Depression, which overstress the stimulus to collective action. Their emphasis is not surprising, since it is collective action that leaves a historical record. Also, it is pleasing to think of adversity as drawing people together.

But it is, in fact, affluence that is experienced collectively. A wave of mortgage foreclosures, tenant evictions, factory closings, bank failures, translates into an aggregate of intensely isolating personal traumas. Stark choices must be made; self-respect must be sustained. Only the relatively secure see the unemployed as a huge, faceless mass. Every member of that mass and every member of the legion that fears to be next sees his or her own face in the mirror every morning and encounters other familiar faces through the day. What is unfamiliar is the relations among those faces, the expectations of what those relations will become, the narrowing circle of social acquaintance, the uncertainty about what lies behind the familar faces, the need to conceal anxiety or depression even from one's family, and a sharpened need to size up strangers, to calculate chances, to smother one's pride, to redefine one's ethics.

Much that characterized American society even in the Fifties reflected the prevalence of such experiences, and this was so despite the intervening re-collectivizing experience of a just war. The view of social problems as individual and family problems helps to explain the rising estate of the so-called helping professions in this period. Even the war on poverty reflected this sentiment, attempting to by-pass bureaucracies and deal directly with poor people and further personalizing its efforts by program fragmentation to serve ever more refined categorizations of the poor: "Foster Grandparents" to help the old feel useful, "Follow Through" for graduates of Headstart, "prevocational" training for those not ready for job-training, and much more.

In short, I would conjecture that an emphasis on efficiency and impersonality in social policy arises in two situations: the exigencies of hard times require it, but so does the psychology bred by a generation of relatively uninterrupted good times. The collective experience of income security and comparative wealth isolates the dwindling minority of non-participants and conduces to nonempathetic, abstract and stereotyped views of The Poor as others whose most readily comprehensible problem, the one that "we" know how to solve if we have the will, is lack of money.

In the long run, it seems plausible that this product of affluence-thinking will prevail, at least to the extent of assuring that a guaranteed minimum income will be enacted and the strings initially attached to its receipt will disappear. However, smooth linear progress in this direction is less plausible. A few years back, social policy theorists were profoundly conditioned by the fact that the "poverty gap," the amount of money needed to raise the incomes of all the poor above the poverty line, had been shrinking at an average rate of about half a billion dollars a year, from nearly $14 billion in 1959 to less than $10 billion in 1968. Today, we are no longer precisely in this frame of reference. We can imagine extended reversal of this trend. We can even imagine, as credible, a period of years when social policy perforce would center on providing the bare essentials of subsistence to perhaps 40 or 60 million people. My depression-recovery scenario is intended to probe the social result of realization of these imaginings, and to suggest that lengthy, widespread preoccupation with stark necessity and insecurity works alterations in value perceptions that alter the specifications of the right social policy.

A More Probable Scenario

This being said, I offer a second scenario for the near future. The basic assumption here is that 1975 sees the beginnings of a reasonably durable turnaround in the U.S. and the global economy. I assume, in this case, a rapid recovery of affluence thinking, meaning for some that personal and general economic progress quickly return to being regarded as normal expectation and, for others, that the attractive aspects of slowing or stopping economic growth quickly supplant fear of uncontrollable economic reverses and their costs in human suffering.

Given this setting, the probability of welfare reform, in the current construction, seems very strong before 1980, but almost certainly in a form that does not consolidate very many programs and leaves many states with a considerable continuing burden of supplementing benefits. Similarly, in this scenario, a compromise form of national health insurance is quite likely of enactment.

Both of these programs will prove more costly than projected, and both will also become an administrative nightmare. Far from settling social policy for twenty-five years, the enactments of the 1970's will set the stage for those of the Eighties. The period will be one of on-the-job training, so to speak, with two possible outcomes. Either we will iron the bugs out of the programs, or we will conclude (possibly prematurely) that programs this large and complex cannot be so centralized in a country of 220 million people without unacceptable constraints on personal freedom and economic activity.

Of course, as is true for any speculation, what occurs to one person--myself in this case--is likely to occur to others. Thus enters the possibility of the self-defeating prophecy: where undesirable outcomes are widely foreseen, major inputs become subject to change. However, if the prospects for definitive reforms are dim, in the first instance, because of unwillingness to take bold steps, a further loss of confidence may be more likely to intensify the outcome than to avert it. Politically, it may be nearly impossible for President(s) and Congresses over the next five years to sit on their hands on these matters. The variable is probably the amount of horse-trading, bet-hedging, and statutory complexity, and my guess is that it will be very large.

So, we start with the conclusion that we are not near a conclusion. Welfare reform is not going to solve the poverty problem. Health insurance is not going to provide a stable triad, with social security and public education, completing the role of social policy with respect to the public at large. A recent discussion paper from Wisconsin's Institute for Research on Poverty suggests that we may be approaching the end of the era of "muddling through." Does anyone seriously think so? I don't.

CHAPTER II

ASPECTS OF THE "LOW INCOME PROBLEM" PROBLEM

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> "(W)e don't need all the talk about work and family breakdowns that we have had--not to justify transfer program proposals, at any rate. One may think the public will require such discussion. I doubt that. I think the people sitting here lead the public, whether for good or error."
>
> Alvin Schorr, 1973[*]

As a public concern, the problems of low income are defined almost exclusively by highly educated people of middle-class background.[**] To conservatives, this has always seemed as it should be, property and breeding connoting responsibility and good judgment. Liberals have agreed with conservatives that staying a long time in school creates a superior capacity for logical reasoning and objectivity--indeed, more conservatives than liberals have questioned this proposition--but liberals have also been troubled by the problem of class bias, including those insidious biases of which the possessor is unaware.

Dating back to the muck-raking Progressives and the social-worker types exemplified by Frances Perkins, the tendency among moderate liberal reformers has been to see the problem of class bias primarily in terms of lack of information: were the privileged to visit the slums and factories, were they to know the details of exploitation and suffering, enlightened public policies would result.

This urge slipped into relative desuetude after the New Deal. In the Fifties, the dominant tendency was to ignore the poor: "The usual liberal approach today is that if we can promote economic growth, if we can have a larger pie, all segments of society will necessarily have larger shares of that pie and we won't have to worry about redistribution of income any more."[***] However, by 1962, when this passage was written, the reappraisal triggered by the civil rights movement was already underway.

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[*] Robert J. Lampman, et. al., Income Maintenance and Welfare Reform: Papers and Comments, Institute for Research on Poverty Discussion Paper #202-74, March 1974.

[**] This point was first suggested to me by B. Bruce-Briggs, formerly on the staff of Hudson Institute.

[***] Louis Eisenstein, quoted in Blum and Kalven, The Uneasy Case for Progressive Taxation, 1970 printing, p. xvii. (U. of Chicago Press)

Initially, the rediscovery was that the residual poverty of an affluent society had causes that were insusceptible to direct remedy by economic growth. The poor, it appeared, were mainly the elderly, the victims of centuries of institutionalized prejudice, and, overlapping this latter group, many millions of children whose chances of escaping poverty were greatly diminished by environmental factors far beyond their power to control. Also it was perceived that poverty was concentrated in "pockets," in rural areas bypassed (and sabotaged) by economic growth, and in central cities that were being abandoned by industry and the middle class. Third, it came to be observed that such areas, or many people in such areas, were characterized by a culture of poverty, similar to that found in underdeveloped countries. While this culture assisted its members to make the best of material deprivation and insecurity, the habits it inculcated were a barrier to upward mobility.

Defining Poverty: "Absolute"

This much sufficed to define the general basis for a war on poverty, but it did not answer the question, "Who are the poor?" or, more precisely, "Whom do 'we' wish to define as poor?" The situation was similar to that which would arise if the nation's conscience were stirred to action by the problems of the ugly. We could identify certain common correlates of ugliness, such as having ugly parents or having experienced a type of accident that often results in disfigurement, but categorization on this indirect basis would be imprecise, excluding many of the ugly, including many of the non-ugly.

Of course, it would also be true that consensus of the non-ugly could be reached on certain measurable extremes of disfigurement. Counterpart to this is the concept of "absolute" poverty, as attested by measurable symptoms of malnutrition. However, the suspicion of malnutrition often arises where symptomatology is vague: lassitude, apathy, a susceptibility to infections. Even if we adhere to an absolute concept of poverty, the insufficiencies of direct diagnosis force us to use indirect measures. These may be aggregates: if a geographical area has ten times the tuberculosis rate of the nation at large, we may assume a very large population at-risk, by virtue of predisposing factors including inadequate diet. Second, we may approach inadequate nutrition from the input rather than the output side. We may appeal to nutritionists to define calorie and food-value requirements, taking into account differences in sex, age, occupation, climate, and so forth. The nutritionists may then provide us with menus which meet these requirements, and we may infer the existence of absolute poverty either by comparing to these menus what people suspected to be poor actually eat or by pricing the menus and comparing the amount that is spent for food.

In fact, this second type of approach was integral to development of a quantified poverty line in the early 1960's. The term, poverty line, had long been in colloquial usage. For instance, Jacob H. Hollander's The Abolition of Poverty (1914) cited Robert Hunter's 1904 study as indicating that "in the industrial commonwealths of the United States, probably as much as twenty percent of the total population are ordinarily below the poverty line"; and Hollander himself clearly had an 'absolute' concept in mind:*

> "There are great bodies of people in country and in city who from birth have less than enough food, clothing, and shelter; who from childhood must toil long and hard to secure even that insufficient amount; who can benefit little from the world's advance in material comfort and in spiritual beauty because their bodies are undernourished, their minds over-strained and their souls deadened by bitter struggle with want."

However, the size of the poverty problem in Hollander's time recommended generalized approaches that did not require precise identification of "the poor" as such: social security, minimum wage, unemployment insurance, labor exchanges, "compulsory industrial training," "the systematic provision of public work" were among those that Hollander favored, together with encouragement of the growth of labor unions--in short, what became the New Deal package of social reforms, with the conspicuous omission of federally subsidized public assistance. While the poverty warriors agreed with Hollander's basic construction of the issue--"The existence of poverty thus passes from a problem of economic production into a problem of economic distribution....The national dividend is abundant and to spare"**--their concern was with the residuum that the New Deal package had not "abolished," including the "pauper class" to which Hollander (and Progressive liberalism in general) gave short shrift.

We may say that the public policy problem of Hollander's generation was conceptually simple because it was empirically so large. This comment may be redeemed from flippancy by breaking out the related problem of infant mortality for illustration. Here it is clear that the higher the rates the greater the reductions that may be achieved by a few "simple" reforms, such as hospitalization for child-birth, prophylactic measures in the hospitals, adequate nutrition of mother and child, and early innoculations against diphtheria and smallpox.

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*Jacob H. Hollander, The Abolition of Poverty (Houghton Mifflin; New York), 1914, p.4. (Hollander was a professor at Johns Hopkins University.)

**Hollander, op. cit., p. 34.

However, as these measures take effect, the population at risk becomes specialized: infants of older mothers and very young ones, illegitimate babies, babies born to large families, Negro babies, rural babies. For progress to continue, problems specific to these populations must be identified and addressed. To some extent in some cases, statistical progress becomes a function of reducing conception or birth rates. The infant mortality rate is reduced by aborting the foetus whose mother caught German measles. It is also reduced when medical ingenuity keeps the grossly malformed infant alive for a period of years. The smaller the residual problem, the more complex it is.

For the problem of poverty, residuality means that public policy discussion cannot shunt to one side the special "hardcore" cases--these have become too substantial a fraction of the whole--but this is not a problem of definition. We have solved the problem of definition by the means mentioned earlier, a poverty line based on an economy food budget for the particular family type. Using this line, we discover that a very large majority of The Poor are in families that lack a full-time, year-round worker. About twenty percent are elderly; ten percent are nonelderly disabled; a quarter are headed by a man (non-elderly, nondisabled) who is not fully employed; and thirty percent are headed by a woman of whom this is true. (Indeed, of all female-headed families with children under age 18, 54% were classified as poor in 1973.)

This and other means for defining poverty show great changes that, even since World War II, have substantially reduced the proportion of the poor that can comfortably be regarded as just like the rest of us, except that they have less money. In addition to a more-than-doubling in the percent of poor households that are female-headed, the percent comprised of people who live alone has nearly doubled (from 26 to 49%), and the percent that are nonwhite has increased from 18 to 32%.

Further, the husband-wife families with children that are in poverty are typically large, and this also increasingly differentiates them from our cultural norm. In 1972, only 7.5% of four-person families were in poverty, but 14% of six-person families and 22% of those with seven or more members. For black families, the comparable numbers were 27, 40, and 46 percent; for female-headed families 43, 60, and 67 percent. When, in the late 1960's, the Paterson, New Jersey area was combed for low-income, husband-wife families to participate in a three-year income maintenance experiment, the researchers could not locate enough qualifying families for the white subsample; they had to open a branch of the experiment in Scranton, Pennsylvania in order to meet this quota. Including the black and Spanish families, the sample finally selected had average family incomes of $5,000, far above the poverty line for a family of four at the time, and qualifying as poor only because these families had an average of four children apiece. The fact is that most of the poor are not in "normal" families. In the typical "normal" family where the husband has poverty-level earnings, the wife also works; by contrast, among the large families on which the Paterson-Scranton study had to draw to meet its quota of husband-wife families, only a fifth of the wives were employed.

Thus, as for the problem of infant mortality, the problem of poverty becomes more complex the smaller it gets, at least if we accept the poverty warriors' view that society's remedial concern should extend beyond low income to its causes. However, this is the problem that states itself, or begins to do so, after an "official" definition of poverty is accepted. I have shown that this definition (which is today somewhat more complex) originated with the association of absolute poverty with nutritional deficiency. An economy food budget was developed and multiplied by three. But why three? Some people contended that four was more realistic. On the other hand, early government studies indicated that, around the turn of the century, the average worker's family spent about forty percent of its income for food. If we were really talking about an absolute poverty line....

Defining Poverty: "Relative"

But of course we weren't, or we were and we weren't simultaneously. There was a basic notion that no one, however depraved and degenerate, should be allowed to starve, and this notion helps to explain why, in 1975, we have a food stamps program but not a guaranteed income, just as it helps to explain why we used to have poorhouses and why 93% of urban "outdoor relief" transfers at the turn of the century were "in kind," not cash. But no one supposed, then or now, that most of the poor were depraved and degenerate. Most were victims of circumstances, and few questioned that society's concern for them ought to extend beyond the provision of the bare necessities for subsistence.

This was no new notion. We find it in 1776, in Adam Smith's The Wealth of Nations:*

> "By necessities I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without."

Poverty is relative to the custom of the country, and this means at the least that it is wholly inappropriate to base a modern poverty line on a turn-of-the-century average worker's budget.

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*Smith, The Wealth of Nations, Book 5, Chapter 2, Part II.

But what is appropriate? Some say our present formula is too generous, yet it is far from approaching the average income cited by respondents to Gallup's periodic question: "What is the smallest amount of money a family of four--husband, wife, and two children--needs each week to get along in this community?" When Peter Karsten, at Hudson Institute, used these responses for selected years to calculate the percentage of American families that were poor by this standard, he discovered that poverty defined in this way declined from 37 to 30% between 1947 and 1951, but has vacillated since then: 33.5% in 1959, 31.5% in 1964, 28% in 1969, 31% in 1972.*

However, as Karsten notes, this standard is problematically ambiguous. Where Gallup has published an income breakdown for responses (e.g., 1967), the estimates rise with income, the respondents with above average incomes offering a figure 25 percent higher than those with below average income. Obviously, there are many communities where one cannot "get along" on the median national income. Also, the affluent who respond with a mixed community in mind may not appreciate the amount of slack in their own family budgets. (B. Bruce-Briggs, for instance, has found that most upper income people grossly over-estimate the housing costs of lower-income people.**)

So we have to respond to Adam Smith: the custom of whose country? While a better-phrased question than Gallup's might be expected to reduce the income-related variance of response, the fact remains that assigning an absolute number to relative poverty is a highly subjective business, and that the active participants in social policy debate are generally people who, by virtue of personal affluence, temperament, and social philosophy, are likely to make a higher estimate than most.

However, among such people we are also likely to find some who believe that the official poverty line is "unrealistically" high. These are compatible positions. The subjective, relative poverty line may be thought of as the level above which people lead "normal" lives, meaning that among income groups above this line there is a relatively random distribution of such problems as criminality, drug abuse, infant mortality, family abandonment, mental retardation, and tuberculosis. Above this level there is no reason for public services to differentiate on the basis of income, because income no longer correlates closely with need. However, no one supposes that the needs of the poor for special services or special emphasis would disappear if government transfers raised their incomes above this line. The subjective line is where the counterparts to the old-style poor reside: the people who are pretty much like "us," except that they have less money.

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*Peter Karsten, "A Quarter Century of Poverty in the U.S., 1947-1972" (HI-2068-DP), August 26, 1974, unpublished.

**B. Bruce-Briggs, "The Cost of Housing," The Public Interest, (Summer 1973).

The "official" line, by contrast, defines (or should define) a level of income sufficient to meet the ordinary needs of people most of whom also have extraordinary needs that government programs attempt to meet. These needs are wide-ranging, and they are costly to meet. When a lower-middle-income family is faced with extraordinary needs such as are prevalent among the poor, the expenses entailed may reduce its funds available for ordinary needs to a poverty level, and the extraordinary needs may still not be met very well. And certainly, public services do not meet exceptional needs of the poor very well, although the outlays per person aided are sometimes higher than the nonpoor can afford.

These things being so, the "official" poverty line may be viewed as a compromise between an income sufficient to meet ordinary needs and an income adequate to cover those extraordinary needs that are not adequately met by other means. But there are two practical problems with this compromise. First, insofar as income support programs are related to this standard, and insofar as "poverty money" is a nonexpanding pie, funding to meet the other than ordinary needs of the poor is scanted, yet it is in the nature of these needs that they cannot be adequately met out-of-pocket even by the needy with incomes well above the poverty line. Second, no state brings all of its poor up to the poverty line, and none of the currently active proposals for nationalization of "welfare" comes anywhere near the poverty line in the floor they would place under income for households that have no earnings.

What this means to the ordinary observer (or Congressman) is that either the poverty line is a fake or, worse yet, that it isn't. And there is no way to find out which is true, because both are. The poverty line is based on a very small number of variables. It does not notice the presence or absence of severe physical, mental, and emotional handicaps; it does not notice whether a home is burglarized not at all or thrice yearly; it does not notice whether a car is a necessity or not; it does not take local variation in cost of living into account. An income below the line allows amenities for many households; an income above the line is grossly inadequate for others.

All that is clear is that, when reforms proposed by liberals fall far short of guaranteeing what is alleged to be a minimally adequate standard of living, the result is squabbling, cynicism, and inaction. Faced with this situation, it is not cynical to suggest that we could reduce poverty if we change our definition. If the goal is enactment of an income support program adequate to allow all households to meet ordinary expenses, and a sensible distribution among levels of government of the task of meeting various extraordinary needs of the poor, redefinition of the poverty line could be an effective catalyst.

Defining Poverty: "Self-Defined"

Thus far, I have talked about absolute poverty and relative poverty. Both of these concepts have some relation to need, as does a third concept, which is poverty as self-defined. For obvious if not necessarily commanding reasons, social policy has never paid much attention to this standard as a possible determinant of eligibility for aid, although the receipt of aid is characteristically dependent upon the eligibles presenting themselves to official attention as such. Periodically (I earlier cited an 1870's case), declaration of eligibility for assistance has been accepted as prima facie evidence of eligibility, this being a way to reduce program-administration costs, but the result has been levels of abuse that were deemed intolerable. This has happened, of course, quite recently with respect to AFDC, and the recurrence of the sequence in the future may be confidently predicted.

It does not seem that the money is the real issue here. The affluent society reacts much like the affluent person who has been bilked by an ersatz college student selling fake magazine subscriptions: My generosity has been exploited. My trust has been betrayed. My judgment has been placed in question. The reputation of college students has been traduced. I have been instrumental in the rewarding of bad behavior.

There is a very powerful feeling about the moral damage of such transactions, as if it were a poisonous fog tainting everyone it touched. And this is not surprising. Modern civilization rests much more on trust among strangers than on force or the threat of force. When we stretch the trust too far and the social fabric tears a little, we can sense the abyss behind the tear. The welfare cheater is merely pathetic (unless I am almost that poor myself). The fault lies with those who created the opportunity to cheat. An elemental requirement for a welfare system is that it not show up the recipient as undeserving of aid, and this is perhaps why the gut reaction to welfare fraud seems so much stronger than to the frauds perpetrated by the paid intermediaries of assistance, such as Medicare doctors and FHA inspectors.

This is why welfare fraud, which could not conceivably amount to half a percent of the federal budget, overbalances the view that we are affluent enough to tolerate any expectable level of cheating as the cost of a more humane and rational system. Our social arrangements must be such that we can function within them on a basis of trust. This is the desideratum, and it suggests that, after a few more turns of the wheel, we may well shift from a system of grants to the poor to some such "demogrant" system as George McGovern offered (with disastrous political effect) in the 1972 Presidential campaign, where everyone receives a subsistence grant and, in the charming British term, the "clawback" from the more affluent is accomplished by the normal tax procedures.

This, of course, would not be self-declaration of poverty, but self-declaration of poverty--as distinct from self-declaration of need for particular services--may be inherently worse than traditional procedures for the reason discussed above. Even if we lacked good precedent for predicting the "next year" reaction, it is not humane to place a heavy burden of honesty on hard-pressed people who want to be honest and who may have a special need to be honest because of circumstances that are corrosive of self-respect.

Defining Poverty: Income Inequality

There remains a fourth conception of poverty, and this one is not related to material need in any direct or necessary way. I refer to the association of social justice with the reduction of income inequality. Here the need-aspects of poverty are subordinated to a larger concept of "too little." A good statement of this perspective, indicating its historical roots in--and departure from--the social problem of poverty, may be obtained by juxtaposing two quotations from Henry C. Simon's Personal Income Taxation, which was written nearly forty years ago:*

> "Under an individualistic system, great inequality is necessary to rapidly increasing indirectness in the productive process--necessary to the increasing use of resources in the production of more (and different) resources. The cost of our present stock of productive instruments was, in a significant sense, decades and centuries of terrible poverty for the masses. Conversely, the cost of justice will be a slowing-up in our material advance ...."

> "There is real point, if not truth, in the suggestion that, within wide limits, the quality of human experience would be about the same at one income level as at another if the relative position of persons and classes remained unchanged. Poverty, want, and privation are in large measure merely relative. Thus, something can be said for mitigation of inequality, even at the cost of reduction in the modal real income."

My historical citations are not intended to imply an erudition I lack. The message is rather that one does not have to look hard or systematically to discover the oldness of "new" ideas in the American tradition, and to rediscover the context of their development. Simons is interesting precisely because he was no radical. His introduction, written in 1936, makes this point quite clearly, and it also makes another point relative to the phrase I underline:*

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*Henry C. Simons, Personal Income Taxation: The Definition of Income As a Problem of Fiscal Policy (U. of Chicago Press, Chicago), 1938, pp. 22,25.

> "When Republicans were the leading disseminators of economic fallacies, it was proper for the academic person to stress the problem of inequality. Nowadays, however, there is no issue as to the need for lesser concentration of wealth and income. Indeed, we tend now toward relative overemphasis, both in our talk and in our action, upon this particular objective....(T)here are now momentous issues as to the means by which inequality may properly or actually be mitigated--as to how we may diminish economic inequality without creating a greater inequality or monopoly of political power."

The role of the "academic person" as a detached observer of and prescriber for the welfare of society has always, of course, been a profoundly elitist posture, and fastidiously distinguished from the elite of wealth (or at least of "new money"). The academic person, if he is egalitarian at all, finds most congenial the egalitarianism that focuses on dollars (of which he traditionally had very few), and most certainly not on wisdom. Ironically, the disposition to suppose that more equal access to the things that money can buy is "social justice" thrives among those whose cultural conditioning has been to disdain material values for themselves.

It is perhaps this academic influence which more than any other single factor accounts for the prevalence among highly educated people today of the assumption that income redistribution is a legitimate and desirable function of government. Unfortunately, there is no evidence as to how widely this assumption is held, outside the magic circle of people who talk mainly to one another; but one study, conducted about fifteen years ago provides a faintly humorous glimpse of another world, a world that, I suspect, is still very much alive.

This was a pilot study, originally intended to provide information for a massive public attitudes study that (for reasons that will emerge) was never conducted. It was designed by Walter J. Blum and Harry Kalven, Jr., who had published a monograph on the progressive income tax. As they put it, "In the essay, we had noted that the intellectual arguments in support of progression all came well after progression had become a political fact. It could be inferred that the intellectuals were following the public rather than leading it and were seeking to find a rational basis for a strong but unarticulated popular sentiment."**

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*Hollander, op. cit., p. vi.

**Blum and Kalven, The Uneasy Case for Progressive Taxation (U. of Chicago Press, Chicago), 1953. Quotations are from the Introduction to the 1963 edition. Despite the title, Blum and Kalven were in favor of progression.

To test this hypothesis, Blum and Kalven designed an attitude survey: "[I]f there was any viability at all to the notion of a community sense of justice as a foundation for law, it should appear in considering the blunt issue of how the tax burden in fairness ought to be allocated among individuals." The results of the pilot effort set them straight:

> "Tax questions generally were of little interest to the public, and among tax questions the issue of distributing the tax burden ranked near the bottom. Even when we had reconciled ourselves to the absence of any conscious opinion and had turned to search for 'latent sentiments,' our efforts were almost completely frustrated....
>
> "Except for a relatively small elite, the very notion of a progressive tax proved to be beyond grasp. By and large people could understand the concept of the wealthy paying more in tax than the less wealthy, but...proportionate and progressive rate schedules simply were not seen as involving a choice of principles. This same mathematical barrier probably accounted for another difficulty. It is our impression that most people were interested only in the level of their own taxes and not in the ratio of that level to the tax burden on others with different incomes.
>
> "In probing as deeply as we could for the reason why the few who did understand the progression principle thought the rich should pay more, we were unable to find anything other than simple, unanalyzed ability-to-pay notions. There was virtually no associating taxes with economic incentives or purchasing power--or with envy or hostility to the rich, or with concern over economic inequality."

The information conveyed by this passage has to do with Blum and Kalven as well as the public. If a matter of justice is involved, and the public do not regard the difference between proportional and progressive taxes as a matter of justice, why should this be dismissed as a "mathematical obstacle"? After all, the difference between the two is in degree, not kind; the wealthy are paying more dollars than the less wealthy in either case. And there is no special reason why a progressive tax need be more redistributive than a proportional one. The determinant, in the final analysis, is how the government uses the money. Theoretically, we could have a steeply progressive income tax and an even more steeply regressive benefit structure, with the wealthy getting more out of the pot than they put in. Perhaps the public is simply accustomed to looking at the whole picture--not with a slide rule, certainly, but in a commonsensical way--and what the public sees is "beyond grasp" of Blum and Kalven.

Second, did Blum and Kalven really want the public to be greatly interested in the ratio of their tax burden to that of the wealthy? Did they really want the public to show "envy or hostility to the rich" or to be full of "concern over income inequality"? I see here the ambivalence of the elitist position in a democratic society. The problem is not simply the expert's scorn for "simple, unanalyzed ability-to-pay notions." The problem is that it is one thing for the elite to favor income redistribution, and quite another for the prospective beneficiaries to do so. If the public had felt hostility and envy toward the rich, if each respondent had been resentfully measuring his tax burden compared to others', this would have confirmed the elitist stereotype of the American people as mean-spirited and materialistic. As the saying goes, "Heads I win, tails you lose." But in a democracy it is not sufficient for the elite to know what is good for the public. The public, or at least their political representatives, must agree.

Small wonder the elitist prefers the detached role of Simon's "academic person" even when he or she is immersed in the daily conduct of public business. The dilemma is real. And, like the problem of defining poverty, it is one facet of the larger problem stated at the start of this chapter: that the problem of low income, as a social policy concern, is defined almost exclusively by people with present or prospective incomes above the national median, and with an atypically high level of education.

Other Obstacles

This problem has other facets, and my intention in writing this chapter is to examine them as honestly as I can, since I do not believe that the public policy concerns of Chapters V-IX can be adequately addressed without prior attention to handicaps of perspective. While the discussion repeatedly alludes to the educated, liberal elite, I do not regard myself as observing an exotic species through the lens. The species is not exotic. I belong to it myself, by birth and by academic temperament and training. It should not be doubted that what is under the lens includes this writer.

--Race

This seems the best subject with which to begin, not because it poses the most difficult obstructions to understanding--I don't think it does--but because the developments in urban public schools so well illustrate its capacity to obstruct. During the post-war decades, the public schools of most large northern cities have experienced an enormous influx of black children, and the dimensions of this inflow have been exaggerated by the outflow of white children to the suburbs or to private schools. Given the home-owning proclivities of the American public and the unprecedented affluence of the post-war decades, a massive outflow would have occurred even if the inflow had not. The black percentage of inner-city students would have risen in any case, simply because of the factors of income and discrimination that produce and perpetuate black urban ghettos.

What occurred was an amplification of the inevitable, and the same may be said for the troubling effects of the change. Given a rapid shift in the racial and economic complexion of the city schools, achievement scores and discipline were bound to suffer. But these effects unquestionably were amplified where--and where was this not the case?--white school boards, white superintendents, white principals, and white teachers had to cope with the new student (and parent) population. To a large extent, this problem was deserved. Northern cities had maintained a high level of *de facto* school segregation; also, they had rarely assigned black principals or even black teachers to non-black schools. The supply of nonmenial jobs for qualified blacks in the schools had been artificially constrained. Now the chickens came home to roost.

But, given this situation, the problem was compounded by the tendency of relatively high-paying, decision-making jobs in large northern cities to be held by members or fellow-travelers of our upper middle class elite. Down to the principal level, these were generally people who thought of themselves as liberals on both educational and racial issues. At the teacher level, the problem was more confused. The schools where the racial change was most pronounced or came earliest were not in middle class neighborhoods but in neighborhoods that *most* teachers with choices already avoided. Many were already classifiable as slum schools, and teachers who have worked in such schools say that they "burn you out" very fast. The typical slum school is populated by older teachers who are hardened to the misery they see, and by the inexperienced, just out of teachers' college, who are either resigned to the customary, undesirable first assignment or are fired up to apply what they've learned about teaching the "disadvantaged." (Unfortunately, what they have learned is heavy on sociology and light on practical pedagogy. It might be preferable that the sociology be less good, if education to be aware of the complex problems of the poor is not--or cannot be--accompanied by down-to-earth advice.)

It has been speculated that the silly and hurtful extremes of discrimination against German-Americans during World War I would not have occurred if the war-loving Theodore Roosevelt rather than the war-hating Woodrow Wilson had been President. To Wilson, war was unthinkable unless it was a moral crusade, but a moral crusade carried an incitement to domestic "patriotism" that Wilson could not curb, whether he approved of it or not. Roosevelt, the conjecture goes, would have been more commonsensical; he would have seen things in proportion and reinforced the tendency of others to do so.

An analogous argument may be made for the schools' decision-makers in the 1960's. They were Wilsons in racial matters and in educational matters as well, having long since made what a turn-of-the-century observer had described as the shift from "the pedagogy of grind" to "the pedagogy of gush." Trained in the John Dewey tradition, they were ill-equipped to cope with a radical deterioration in either discipline or reading scores. The entire thrust of their efforts to reform the schools had been to reduce the soul-shriveling effects of over-emphasis on docile obedience, rote learning of basic skills, and competition for good grades. The new wave of poor and fractious students could have been whiter than George Wallace without eliminating serious problems of response. As it was, the principle that blacks must be treated as one's equals barred any possibility of the reign of common sense among whites who abruptly were called upon to express an abstract racial liberalism in very concrete situations.

Common sense would say, first of all, that in good or bad times it is much harder to escape from poverty than to avoid falling into it; second, that the schools' primary mission in poor areas is to maximize the learning of skills that aid the escape from poverty; third, that this mission includes, especially for the child of rural background, inculcating habits of behavior and attitude that are needed for the transition from poor to nonpoor in an urban, industrial society. These points are understood by Black Muslims and often Black Panthers, but they probably were not understood and certainly were not implemented by the white overlords of the big-city schools.

Of course, it is possible to argue that they could not have been implemented by whites, period, but this argument invites us to imagine that alternative white behavior and style would have produced as great or greater disruptions than actually occurred. This I find implausible. Evidence from attitude surveys abounds that black parents want the same deplorably old-fashioned results from the schools as white parents: good discipline, good manners, and solid grounding in the skills upon which a modern society places such great value. Evidence abounds also that most parents, black or white, do not pay much attention to what goes on in the schools. Had the city schools been run by Teddy Roosevelts, cheerfully committed to old-fashioned values and to the use of force where reason will not avail, it seems most plausible to me that the racial transition would have entailed less turmoil than it actually has, not more.

But I mean to use the case to illustrate, not to preach a speculative argument. The white liberal educationists were barred by their own privilege and their own convictions from endorsing one style of instruction for middle class white schools and another style for lower-class or working-class, predominantly or increasingly black schools. Again, this barrier was exacerbated, not created, by the race factor, but it was formidably exacerbated. The result was not only an (often ill-implemented) insistence that all schools focus on the flowering of each child's personality rather than on the mass production of literates who followed instructions. It was also a passing-the-buck to the militants who claimed, without evidence, to speak for "the black community." To prove one's credentials as a white liberal came to require the personal profession of responsibility for the whole tragic history of black Americans, the endorsement not only of the message that black is beautiful but that white (or American) is ugly, and the rejection of the educational objective to equip poor (black) children to participate in the mainstream of a society now perceived as sick.

One has to sympathize with the inner city principals and teachers who were, by turns, pressured in these ways and castigated for what was happening to attendance, discipline, and scholastic achievement. Among the bizarre mutants that emerged, The New York Times recently described a two-track system in a city high school in which the mostly white upper track reads the great works of literature while the lower track reads recent "relevant" novels about pimps. prostitutes, addicts, number-runners, and the like.

The excess of blacks on the urban welfare rolls has also obstructed the application of common sense to policy. The orderly functioning of any complex social service depends upon a reasonable ratio of go-by-the-book mentalities to people who deplore go-by-the-book mentalities, and on reasonable stability and consistency of the rules. All of these things might well have been deranged in the affluent Sixties even if the race and poverty problems had not been commingled. As it was, the imputation of institutional and personal racism smeared all conscientious bureaucratic efforts to deal with the bewildering phenomenon of soaring welfare rolls in an economy where unemployment rates were dropping to their post-war low.

A further complication, in the welfare case, was the concept of compensation. Whether this concept originated with black militants or white liberals is buried in the murk of history, but a white did not have to be especially liberal to perceive that blacks suffered from past as well as current discrimination. The propriety of special programs to aid blacks to "catch up" was relatively noncontroversial. Indeed, it seems likely that most whites thought of the war on poverty as primarily a war on black poverty, and that "urban problems" was generally seen as a synonym for race problems.

But there were also the claims that the present generation of blacks was entitled to cash indemnification for the exploitation of their forebears. While it is doubtful that many whites (or blacks) took this contention seriously, the idea of compensation was conceptually a continuous spectrum, extending from the cash indemnity "left" to the war on poverty "right," with the welfare issue occupying a confused place somewhere in the middle. Historically, there seems little question that in the North as well as the South a Negro mother without a husband was seen differently by welfare bureaucrats than a white mother in similar straits, other things being equal. In all areas, there was that habitual, systematic discrimination to which the term "institutional racism" is properly applied, where the true effects cannot be measured because we have no way of knowing how many Negroes were discouraged from applying for aid at all. But the issue of compensation blurred the task of correcting this. Acquainting blacks with their legal rights and with the increased hospitality of government to the exercise of their rights was clearly appropriate, but were there moral rights as well? Was there a societal obligation to suspend or relax the standards of middle class (white) morality that had traditionally shaped the style of the welfare system?

As was shown by the outcry against Daniel Patrick Moynihan's commentaries on the relevance of Negro family structure to social policy, this was again an issue that white liberals and moderates were helpless to cope with in any kind of commonsensical way. Yet most whites by the late Sixties thought of themselves as liberal or moderate on race issues. On the "welfare mess" as on the problems in the schools, race was not the crux of the cleavage between elite and popular attitudes. It was a complication and a catalyst. The elite had long embraced conceptions of the good society which recommended policies that many Americans saw as challenging traditional values, as threatening short-term interests, and as unfair to the individual whose self-respect lay in playing the game by the old-fashioned rules. By no one's intention, the race issue was a wedge that could be driven into the solid mass of American preferences.

The Negro was a complication and catalyst because of what he stood for. Some years ago, when I was studying Negro employment, I had a large stack of relevant books and reprints on my floor, published at various times over the previous fifty years. The title at the top of the stack was The Negro in Basic Industry, and a colleague noted that the article next down was "The Negro in Psychoanalysis." Inspired by the comment, "That fellow sure does get around," I discovered that eight books out of twelve had "the Negro" in their title. With my colleague, I concluded that there must be a message there, but the message is not that Negroes are used by whites for what their collectivity symbolizes. This has at times been a deliberate tactic of the Communist Party and doubtless of others, but the fact that the tactic is available is the problem. What "the Negro" or today "the black" stands for is an appalling history, the after-effects of which stand between the white liberal and the individual black man, woman, or child. This is true whatever the white liberal's beliefs may be on the relative importance of "nature" and "nurture," since one may run IQ scores and whatever else one pleases through the computer and still come out with a large "unexplained" variance in incomes by race.

In my own opinion, blacks must take the initiative in alleviating many of the aspects of economic disadvantage. One of these is the very high rates of crime in many black neighborhoods. Security of person and property is the sine qua non for the development of healthy communities and the orderly conduct of personal and family life. Whites cannot solve this problem for blacks.

Second, blacks can do something--perhaps a great deal--to get at the roots of the extreme black disadvantage in obtaining early work experience. Looking at the non-recession years, 1972 and 1973, we see that, whether in school or not, black teenagers had much higher unemployment rates than whites. However, this datum sits atop a more fundamental difference. Black youth are much less likely than white to be in the work force at all: in other words, the base upon which the unemployed percent is calculated is itself a much smaller part of the age group for blacks than for whites (e.g., 19% vs. 44% for 16- and 17-year-old males who are still in school, with percent of these who are unemployed 40% and 14%, in 1972). The differences hold for both sexes. They hold for college students, despite the much lower median family income of the black college students. And the rates are just as disparate outside poverty areas as in them.

Beyond any question, isolation from the world of work--which is properly regarded as a general flaw in our society's provision for adolescents--is dramatically more pronounced for blacks than for whites. Young whites with whom I have discussed this problem offer two explanations: first, that teenagers typically inherit their after-school jobs (nearly half of which are in stores) from somewhat older friends. This would tend to make black disadvantage self-perpetuating. Second, it seems that white middle-class youth are notoriously unreliable, lazy, and mischief-prone employees. The suggestion is that, if the potential employer has a stereotype of black youth as even worse in these respects, he will always pick the white applicant, even if he otherwise thinks of himself as liberal on racial issues.

However, these factors are certainly not the whole story, nor do we add a great deal to the explanation by assuming a lack of after-school jobs in poor neighborhoods, since white high school students have as high labor force participation rates in such neighborhoods as elsewhere. Means can be devised--informal means, or using the schools, the welfare departments, the Community Action Agencies--to give the black youth the experiences (and "references") that will later carry weight with the first full-time employer. But getting the whole story and devising the means is again something that will not be done unless blacks take the initiative.

Third, the problem of early and especially illegitimate child-bearing has to be addressed. In 1968, 45% of black babies born in New York City were illegitimate, compared to 6% of babies of native-born white mothers, and 25% for New York's Puerto Ricans. In the country at large, among women married between 1965 and 1969, with family income (at the time of the survey) of $4-7,000, the premarital birth rate per thousand women was 74 for whites and 481 for nonwhites. For those with incomes $7-10,000, the rates were 58 and 543. In other words, this is not a phenomenon of deep poverty but of the transplanted rural black culture. Yet it makes a heavy contribution to perpetuating poverty, and one that white liberals are not about to come to grips with.

It is possible, though I doubt it, that blacks lack the wish and hence the will to do anything about youth crime, employment, and illegitimacy rates. Most narrow social goals conflict with other social goals, or with self-interest, and reducing black indigency and low wages is no exception. While it is surely correct that, as blacks behave more like whites, they will earn more money, they will not soon earn on average as much as whites who are identical in all respects but race that influence employer decisions. As with women, some blacks will continue to be victimized by irrational employer-discrimination, and by the kind of rational discrimination which notes the prejudices of white (or male) workers and of customers.

Some blacks may feel that this residue is too large a part of the problem for investigation of other aspects to be worthwhile. Others find the idea of emulating white cultural norms objectionable. As James Baldwin put it in The Fire Next Time (1963):

> "I cannot accept the proposition that the 400-year travail of the American Negro should result merely in his attainment of the present level of American civilization. I am far from convinced that being released from the African witch doctor was worthwhile if I am now--in order to support the moral contradictions and the spiritual aridity of my life--expected to become dependent on the American psychiatrist."

I am not able to say how common this way of thinking is, or to what extent it is a crutch or an opiate, like the snobbery of the genteel poor and the fundamentalist poor. But I do know that black parents tend, if anything, to be more likely than white parents (who are very likely) to emphasize the importance of better discipline in the schools. I know there are endless studies documenting that welfare mothers embrace the "work ethic" (whether they practice it or not), and surveys showing no racial difference in attitudes about pre-marital sex.. And I know that Gallup uncovered a remarkable 86% of blacks, compared to 64% of whites, favoring a compulsory CCC-type program for youth who were neither in school nor employed.

I have heard white liberals whisper that blacks (like hardhats) have "an authoritarian streak," but the moderate economic deprivations I have known lead me to distinguish between an authoritarian streak and putting first things first. A rational environment for the young is one of the very first things to put first. If you attribute your own income inadequacy or insecurity in part to a disordered upbringing, the better chance you want your children to have will emphasize discipline and basic skills and the inculcation of good work habits.

A democratic social policy ought to respect such attitudes, but in the real world those who hold the attitudes must assert themselves if they are not to be ignored. If blacks do not take the initiative, where it is in their power to do so, to enlarge their economic opportunities, neither the unsettled state of the larger economy nor the predilections of white liberals offer much reason to believe that others will soon do it for them.

--The Workers At the Bottom

But blacks have no monopoly of the unpleasant experiences that tend to correlate with low income. Nor, for that matter, do welfare recipients have a monopoly. Among wage and salary workers (and probably also the self-employed), it seems reasonable to say that exposure to inconsiderate, rude, and condescending treatment varies inversely with earnings.

This tends to be true for people on different rungs of the same managerial or professional ladder, but here the earnings difference is accompanied by (and has less "meaning" than) differences in age and experience. Inconsiderate treatment of junior managers and professionals by their seniors may or may not be an effective style of management, but it does not normally carry connotations of permanent inferior status or inadequacy.

Of much greater concern is the unpleasantness experienced by relatively low-paid workers, blue collar and white, whose jobs are not on the lower rungs of promotional ladders to high-status and high-paid employment. Here the superior-inferior relationship is commonly reinforced by differences in sex, race, ethnicity, social class, and education; and anyone with ears to listen will appreciate the frequency with which egalitarianism stops at the door of the office or plant.

The liberal elitist has ears to listen to others (if not always to himself), and he understands this point quite well. Further, he understands that the systematic treatment of occupational subordinates as social inferiors carries ramifications for the self-esteem of both parties. Indeed, we have a stereotype of the "petty bureaucrat" which suggests an amplifying chain reaction as one looks down the manager-managed pairings of a many-layered hierarchy, with each level taking out its resentments on the next lower. Whether this flow chart is generally valid I lack the experience to say.

The elitist also understands that subjective rewards from the substance of work tend to be concentrated in those occupations that pay the worker well or promise to pay him well in the future. Back when conservative elitism was less abashed than today, "happy peasant" theories vied with this understanding for dominance. Such theories were often "racist." The darkies--or the Irish, or the Italians, or the Poles--were thought to be singularly suited to their low-status, low-paid work. More generally, it was said that high-paying jobs generated enormous stress. Ulcers and "nervous breakdowns" were the price the rich and powerful paid for their wealth and power.

There is still some of this around. A poll of physicians a few years ago indicated that blue collar workers and welfare mothers were believed to be near the bottom of a ranking of twenty groups of people so far as the (perceived) likelihood of their needing psychiatric care was concerned. But, in the main, the modern elitist is inclined to think that he or she has a better deal than most people, so far as job satisfaction is concerned.

Not surprisingly, this view tends toward overreach. There is much silliness in the HEW-sponsored study Work in America (1972) and in the exegeses of the celebrated strike at General Motors' Lordstown, Ohio, plant, but the fact of interpretive problems, not the particulars, is my present concern. Again, the elite do not know how to behave with respect to those who are less privileged. It is noncontroversial that, in an ideal society, everyone would have work that satisfied his subjective needs and helped to make him the best (or one of the best) it was in him to be. It is also noncontroversial that many jobs are routine; that these jobs don't pay very well, in the main; and that they do not forward the "self-actualization" of the worker. Finally, it is noncontroversial that many workers place greater value on the leisure than on the work side of their lives. While such workers more often than not say that they would go on working even if they acquired a comfortable income independent of work, the reason they offer the pollsters is typically just to occupy the time.

What is controversial is the construction to place on these points, and it surely is to the credit of the modern elitist that he does not choose the cop-out construction of "each to his own taste." But the choice of an egalitarian construction is, again, of the form, "They are just like us, except...," and again this creates complications. If the elitist believes that blackness and poverty and routine work profoundly shape the individual's identity, what does he mean by his egalitarian proposition? He is caught in a dilemma, and it may be apropos that the social policy literature is nearly as full of references to "the worker" as to "the Negro" (and "the welfare mother").

On the matter of effect, I would like to illustrate, but a generalization must be made first. With respect to routine or disagreeable work, the elitist's egalitarianism takes the form of "There but for the grace of God go I." He puts himself in the lowly worker's shoes. He concludes that, if he were that worker, he would change jobs frequently; he would do as little work as he could get away with; in short, he would behave much as the statistical and anecdotal evidence say that many workers in the so-called "secondary labor market" do behave.

Hence--my illustration--we find in an excellent scholarly book on the working poor the following sentences. First, "Some workers possess higher skills, better judgment, and 'better' attitudes". Why not "higher skills, 'better' judgment, and better attitudes"? Why any setting off of any of these adjectives? Because, I suggest, the authors were quite confident of the superiority of some skills and judgments to others, but very uncomfortable on the issue of attitudes. In this they certainly do not represent the entire elite--the most alienated would have put all three adjectives in quotes--but I question that any highly educated American who calls himself liberal could have written the sentence without telegraphing the punctuational message that what constitutes good attitudes is relative to situation.

Second, we have the sentence: "These individuals have little formal education, few technical skills, and may be less than completely dependable on the job." (Emphasis added.) What squirming! Why can't the authors say "may be undependable"? The usual circumlocution here is to say that the individuals involved lack the "work habits" that employers esteem. Rarely is it said flatly that they have poor work habits. Rather, the impression is conveyed that the whims of the employee are not consonant with the whims of the employer.

This kind of euphemizing ceases to be an affordable luxury as social policy broadens its compass to include others than old people and children. But, as I have tried to show, the habit cannot be discarded with ease. The awkwardness of the elite in moving from abstract discussion of "work values" and "labor supply" to the practical issues of the workplace comes out of a conflict that cannot be resolved by attempting empathy with the worker alone, but neither can it be resolved by giving equal time to the employer's problems, since social policy is meant to serve the public interest, which is not the same thing as employers' plus employees' interests.

Nonetheless, inability to say that--for whatever reasons--many people are incompetent and unreliable workers is a debit for the liberal elite. The fact that the poverty war programs did not miraculously transform the "hardcore" into satisfactory employees is not an excuse to sweep the problem under the rug nor can it be permanently obscured by the philosophically and psychologically easier unemployment problem of a destabilized economy. If we are to continue to move in the direction of wage or earnings subsidies, public service employment, and job enrichment, social policy will have to get on first-name terms with practical economics. It is a fine thing to resolve grand issues of productivity (and profits) ideologically, but day-to-day social policy can only be gently massaged by ideology.

--Brains

Next there is the problem of brains, and this may be the most fundamental problem of all for an elite that, by and large, got where it is by brains. While some members of this elite have recently taken to elaborate documentation of the thesis that education does not "work," no one has presented an argument that brains don't "work," except in the limited sense that IQ alone is not a sound predicter of income level. What we are told for the most part is that what comes out of the schools is very similar to what went into them, and this is neither surprising nor disconcerting to the middle class professional, however happy he would be to be told the opposite. Home environment is important, basic intelligence even more so, and, whether high basic intelligence is or is not randomly distributed at birth, it is pretty well fixed by the time a child starts school.

The elite cannot take credit for their high intelligence, but they would not trade it for all the oil in Oman. And it follows from this that no subject is more constrained by taboos--for the elite--than the subject of low intelligence. Except among one's peers, the most obscene, most unspeakable epithet of all is "stupid."

This is evident in the literature in a peculiar contrast. Discussions of the "poverty culture" are uninhibited. While there is often a pro forma reference to the fact that many/most of the poor conform to middle-class behavioral standards, there is also something resembling relish for the earthy sexuality and violent self-expression of those upon whom the analysis is concentrated, and certainly there is no hesitancy to describe what is observed. By contrast, allusions to the fact that most of the poor did not do well in school take the form of citing "inadequate education" and "inadequate training and skills."

This is somewhat ironic. Most poor people would be scandalized to be associated with descriptions of the poverty culture, but most will say quite freely that they were not good at book learning, and they will not regard this as a dreadful stigma. They do not feel inferior to the absent-minded professor. While they may be more impressed by the sharp-witted hustler, they are also likely to feel morally superior to him. Intelligence, I am quite sure, is not the emotive subject to the poor that it is to those who study and prescribe for the poor.

This is a matter of some consequence, in the first instance because it blurs communications between the elite and the poor, and, in the second instance, because imprecise terminology distorts the phrasing of issues. The IQ controversy instigated by Arthur Jensen is a case in point. The issue is not tests which measure ability to do well in school better than they measure anything else. The practical issue is the difference between quick thinkers and slow thinkers, between people who catch on the first time and people who require many iterations. While Jensen himself construes intelligence in this way, he is too much the specialist to consider the ramifications outside the schools, and he focuses excessively on the heredity vs. environment issue.

Given the inhibitions of the elite, this bent of Jensen's is allowed to define the terms of debate: is IQ mainly a matter of nature or of nurture? can the schools raise IQ? how much better can children do in school than their IQs forecast? The amount of energy and venom expended on debating such questions is wholly disproportionate to their significance for social policy. Meanwhile, no attention at all is paid to the extent to which mental handicaps account for the problems of the adult poor and contribute to the characteristics of poverty cultures.

This strikes me as important enough to warrant a digression. If social scientists were rationed to one neologism a decade, my choice would be "psychoculture." I have coined this term to denote the invisible cultures to which we belong on the basis of attributes we share with other people. There is a psychoculture of little children, who, however much they differ from one another, share the experience of inhabiting a world primarily populated by giants and furnishings tailored to giants. With the proliferation of consciousness-raising sessions, many women have discovered that anxieties and resentments they had thought were idiosyncratic are in fact widely shared, down to the tiniest particulars. Such women have found that they share a psychoculture, and once this is found the psychoculture becomes something more.

Each of us, obviously, belongs to a large number of psychocultures. For example, I belong to the psychocultures of people who are terrible at small talk, people who are deaf in one ear, untidy people, left-handed people, and people who are unable to follow a natural bent to sleep late and work late. All of these characteristics in some way affect my behavior and attitudes. Most of the effects are, of course, trivial, but there probably are combinations of trivial effects that explain a respectable fraction of my differences from other people. If, by some chance, a number of people who shared a combination of these trivial psychocultural attributes comprised a more or less discrete community, visiting anthropologists might well find that this community had a culture differing from those about it.

But some single psychocultures are not trivial, and some tend to dominate and shape observable cultural enclaves. I propose that this is true of the slow-learner psychoculture, and I must pause immediately to justify my term. I do not say "low intelligence" because I want to place emphasis on learning as a process and on facility at the process as the crux of the matter. The very bright child is likely to learn to read before he starts school. In some cases, he picks up the skill so casually his parents don't know he has it until the first grade teacher tells them.* The moderately retarded child can be brought up to this level, but many years of tirelessly reiterated instruction are required. This much is noncontroversial, but it also seems reasonable to me that, between these extremes, most children's speed at most kinds of learning can be usefully plotted as a linear function of IQ. Inter alia, this suggests that the child who reaches ninth grade reading at a fourth grade level should not necessarily be regarded as a failure of the schools. Had he not been retained in the system so long he might not be reading at all.

Schools for retarded children are geared to slow learners' needs. Public schools are not geared to either the slow learning pace of the dull-normal child or the fast learning pace of the very bright. Nonetheless, the vast majority of children acquire the basic skills of literacy and numeracy that are essential to get by in a complex modern society. I believe that this would have been deemed flatly impossible by virtually all literate people two centuries ago. While better nutrition and motivation are involved in this miracle, so is the practice of compulsorily incarcerating and drilling children in the simplified environment of the classroom.

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*Such children used to come to school knowing what the half-hour and quarter-hour meant. Teachers say this is much less common today, when most homes have a digital clock.

But a great deal of our learning takes place outside the schools, and this is where the slow-learner's disability is most pronounced. The information inputs are not presented in an ascending order of difficulty, and one type of information is not tidily separated from others. What William James said of newborns--that they experience the world as a buzzing, blooming confusion--only gradually ceases to be true for the normal child and, outside a "protected environment," is partially true lifelong for the moderately retarded.

Out-of-school learning requires the child to do most of what the teacher and curriculum-planner do in the school. He has to define the categories in which data ought to be placed. He has to discover the rules of cause and effect. He has to determine what is important and what is not. He has to learn to manage a system of instruction where the frequency with which a lesson is reiterated may have nothing to do with its long-range importance, where frequently repeated lessons may teach harmful things, where analogies of new to old knowledge are not spelled out, where "teachers" are often emotional and sometimes hostile, and where rewards and punishments are often meted out in mindless and misleading ways.

This task is eased where parents are education-minded, and where family and community life are orderly most of the time. Most children inhabit a fairly simplified environment out of school as well as in it. Most parents stay together. Most people go to work in the morning and come home at night. Most households fairly well observe, both literally and figuratively, the maxim of a place for everything and everything in its place.

In such an environment, the slow learner will do reasonably well at acquiring the out-of-school knowledge that he will need to function as a middle class or working class adult. He will not learn to make shrewd investments; he will retain a blurry or stereotyped view of the worlds beyond his repeated personal experiences; but he will have the command of routines that will serve him well so long as he is not plunged into circumstances which render these routines counterproductive. In some circumstances he will do better than the fast learner by whatever criterion one cares to apply, including money-making.

But slow learners are most common among the poor. People who require many repetitions of each lesson are not worth the employer's while to train unless the labor market is very tight. People whose reading and arithmetic are rudimentary encounter additional obstacles. Vocational training in the schools could reduce the slow learner's disability if it were closely integrated with employing firms, but this is a difficult intermesh to achieve in the most stable times and places. In practice, a steady job at a steady wage, with accumulating pension rights and health insurance and paid vacations and sick leave, is a rare finding for slow learners who lack helpful family connections.

So the child who grows up in a poor community is mainly exposed, out of school, to adults who are slow learners, and it is at this point that I would like to reintroduce the concept of a psychoculture. If this concept is valid, what seems to follow from it is that a culture dominated by people who share the private experience of being slow learners will evolve along lines that express the perceptions and meet the needs of this psychoculture. Specifically, the cultural environment generated by a slow-learner psychoculture will be comfortable for the slow-learning and uncomfortable for the fast-learning child, and it will tend to bias the development of the middling child toward habits of thought and behavior that are harmonious with his surroundings.

This way of looking is not intended to resolve the nature-nurture IQ controversy. I assume that some aspects of personality that affect the ability to learn, and other abilities, are determined at the time of conception, but I also assume that what is genetically determined allows for a great range of developmental variation. My interest is in the extent to which characteristics of the "poverty culture" may usefully be interpreted as expressions of a slow-learner psychoculture, and as expressions of the frustrations of average or fast learners who are born into this psychoculture.

To me, some of the characteristics of the "poverty culture" resemble teachers' descriptions of the retarded. These include the high value placed on sensory pleasure and other "instant gratification," ritualization of routines, prevalence of superstitions and taboos, weakness at abstract reasoning (including inability to plan for the future and limited grasp of cause and effect), and general passivity. Perhaps the important difference between a school for the retarded and a typical low-income neighborhood, aside from the obvious difference of higher IQ's in the latter, is that the school is carefully organized to maximize the efficiency of the learning process, while the typical low-income neighborhood is plagued by the "noise" of family instability, income instability, crimes against person and property, attractive but self-damaging deviant behavior, coexisting and clashing behavioral models within the block, the building, and even the family, contrasting norms presented by reality and television, and so forth.

Obviously, the usefulness of my analogy depends not only on its validity but on the availability of desirable, practical means for the poor to become nonpoor. Also, the formulation is subject to abuse. Nearly anything one wished to do to a slum area and its residents might be justified in the name of rationalizing the out-of-school learning process. But we are at least talking about something that is real, and that is not adequately addressed by circumlocutions such as "inadequate education," "inadequate training," "inadequate skills." If we can stop thinking of slow learning as shameful, a major obstacle to understanding the problems of the poor will be diminished.

--The Aged

Next, there is the obstacle created by attitudes toward old age. Americans dread old age and always have, yet, starting in the 1920's and continuing through the 1950's, our population ages 65 and older grew at an average rate of 35% every decade, vastly exceeding the growth rate of any other age group until children under five increased by over fifty percent during the Forties. How to provide for the elderly has been the dominant social policy concern of the modern period. Looking at the federal budget for fiscal year 1976, we see that of total federal outlays for cash and "in-kind" support programs, social security accounts for 65%, old age assistance for 4%, Medicare for 14%.* Adjusting for that part of social security and Medicare that go to survivors of workers or the non-elderly disabled, and for that part of Medicaid that goes to the elderly, about seven-tenths of our outlays for cash and "in kind" support of non-workers and low-paid workers go to the elderly.

A result of this is that fewer than ever of the elderly are poor. While the numbers of the elderly increased by 21% in the 1960's, the numbers that were poor dropped from seven million to 5.6 million, and several million more have subsequently been subtracted from the low-income population by benefit improvements in social security. It is estimated that almost an eighth of the elderly were moved out of poverty by the social security amendments of 1972, and that half of the elderly, all told, are "nonpoor" by virtue of social security payments.

In view of the addition of a cost-of-living escalator to social security, we need not hedge in calling this a remarkable accomplishment, but the context makes it a troubling accomplishment. Relatively speaking, the rest of the officially poor have been grossly neglected. Relatively speaking, we have lavished resources on the old. Of course, most of our expenditures on the old are nominally "insurance payments," but to stress this begs the issue. Other countries (many of which do less well by the old than we) have children's allowances that do not carry the stigma of welfare, and some have moved in the direction of treating full-time mothers as public employees (for example, by giving them paid vacations). If we chose, we could eliminate AFDC and provide income subsidies to most of the working poor by putting full-time mothers in low-income families on the public payroll. There are a number of ways to redefine indigence and poverty in order to eliminate the degrading connotations of charity. Most such procedures are extremely costly, however, and we have chosen to bear these costs primarily for the elderly poor.

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*These percentages are based on the categories shown in Chapter VII, Table 1.

In our cultural context, this is a disturbing choice. It smacks of buying off people we would rather not think about, rather not look at. This is the other side of the vaunted principle that income support "ought" to be a mechanical, impersonal procedure.

And it follows that, despite our relative largesse, we are not doing well by the aged. Medicare is one case in point. Despite expenditures which exceed combined federal outlays for AFDC and food stamps (our principal programs for the nonelderly poor), older people have for several years had higher out-of-pocket medical expenses on average than they did at the time Medicare was enacted. Further, the large percentage of Medicare money which supports the small percentage of the old who have been placed in nursing homes has been shown again and again to be poorly spent.

But nursing home scandals are only the extreme of the general problem, because the old who are placed in nursing homes exemplify the extreme of the disabilities accompanying old age. It is not clear that most Americans are entitled to be scandalized by bed sores and urine-soaked clothes, simply because it is not clear what salary would induce "most Americans" to spend their days tending helpless old people.

Here it seems probable that the generalizations do apply pretty much across the board, not just to the educated elite, and it also is probable that the educated elite do as well by their own elderly kin as anyone else, although this does not mean that they do especially well. However, it is also true that the elderly do not fit well with either of the basic conceptions of the good society held by the elite. They do not fit well with the meritocratic conception by which the elitist justifies his or her own lot in life. This conception commends a policy emphasis on the young, and on the equalization of opportunities to develop and employ one's basic "merits."

But neither do the old fit well with the conception which emphasizes income redistribution. We are already transferring huge amounts of money to the old; the size of these amounts, the soaring rates of the social security tax in particular, unquestionably have the effect of dampening efforts to spend more on the non-old; but many of the problems of the old are not proportionally reduced by increased cash outlays and are not especially associated with poverty. The typical old person does not have a car, or a driver's license. Many are burdened with homes that they cannot afford to maintain. Some live in neighborhoods that are unsafe even in broad daylight. Many old people are of a different culture than their children. A sixth of elderly men in 1970 were foreign-born, compared to six percent of those ages 45-64. The average age of all Americans who were born in Austria, Russia or Sweden is 70, of those born in Poland 67, of those born in Ireland or Italy 61 and 60. Further, three fifths of elderly men have eight years of school or less, compared to 31% of middle-aged men. The comparable figures for women are 54 and 27%.

The differences in life experiences, perceptions, and coping ability associated with these figures suggest a temporary exacerbation of the generation gap between the elderly and the rest of society. However, it is also true that in recent years the part of the population that is 75 and older has been increasing at three times the rate of the 65-75 group. As the elderly become culturally more similar to the young, a continuation of this trend toward increased life expectancy of the very old would create its own exacerbation, its own set of needs that cash transfers cannot remedy. Also, each increase in job-holding of middle-aged women reduces our informal ability to provide good care for the old.

On the other hand, older people are more likely to be satisfied with the various aspects of their lives than younger ones, as I document in Chapter IV. If the polls are to be believed, older people are considerably less likely than younger ones to consider it a good idea for the elderly to live with their children. Other research suggests that the number of elderly people who regard retirement as an earned and valued reward is much greater than the number who feel that they have been forcibly put out to pasture.

Again, a part of our problem is the tendency to conceptualize a category as a victimized individual of whom nothing bad must be said and toward whom "the society" stands in a relationship of guilt. This tendency is as strong as with blacks, although for different reasons (we do not dread losing our whiteness), and the inhibitions it imposes on public policy discussion are, if anything, more severe.

--The Handicapped

If it is difficult to think in an orderly, rational way about the old, a very similar problem exists with respect to the extremes of physical handicap and of mental illness and retardation. As with the elderly, there are here appalling, concrete institutional symptoms of the dark side of our ambivalence. We have not devised institutional means for dealing humanely with any of the classes of those who not only cannot "support" themselves in the usual sense but are unable even to manage their own bodies. We have not found a procedural equivalent to dedicated care by a loving person, and it is obfuscative to define the reasons as inadequate funding and inadequate regulation. Probably the second of these reasons is more important than the first. At least, it ought to be obvious by now that money for these purposes will be misspent unless there is a great deal of policing.

But the crucial question is why this is so. It is so because too few people want to do this kind of work, at whatever pay, and the reason for that is not merely that the work is often physically disgusting. It is also, and more, a gut fear of forms of the human condition to which such terms as "animal" and "vegetable" can be applied. These are the stark cases where no euphemizing can cloak "there but for the grace of God go I" with "they are just like us, except...."

--Cultural Deviance

At nearly the opposite extreme are obstacles related to the fact that many of the people with whom social policy must deal are prone to culturally deviant behavior. They flare up in violence on what seems to "us" slight provocation. They commit many property crimes. They become addicted and readdicted to heroin. They are sexually promiscuous without bothering about contraception. Their homes are squalid and unhealthy in ways that they should be able to prevent.

Beyond question many people of these types are physically and mentally "normal." Beyond question, such correlates as exist to race, ethnicity, or income are not genetic. We are looking at cultural or circumstantial differences, as we much more often are not when a middle class person behaves in such ways. The middle class deviant is generally construed as sick unless the deviancy takes a form--most recently, homosexuality--that middle class culture is moving toward regarding as merely different from the majority. And the construction of sickness is reasonable, once one concedes that it carries dangers. Humans are social animals. We are imitative animals. The typical middle class teenager who gets into heroin is very different from the typical South Bronx boy who does the same. The typical white New York addict will have used six or more drugs; the typical black one will not. Such distinctions have significance in a more than statistical sense.

The elite know this, but they don't know what to make of it. These are the reverse of the extreme-handicap cases. As with poor work habits (which might be subsumed under this heading), it often is not difficult to think, "They are just like us, except...." On the other hand, elitists also know that respectable, traditionalist Americans have deep-seated fears of cultural deviance. In particular, the poor or near-poor family that is trying to raise its children in or near a low-income neighborhood has good reasons for these fears. Intolerance about intolerance is not an adequate posture for liberalism in the social policy arena, but neither is it a posture that one can discard.

Two favored approaches are (1) to medicalize deviant behavior, and (2) to treat it as "victimless crime." Heroin addiction may be cited as a case where both of these approaches have been argued and pursued simultaneously with great vigor. The disease metaphor has proved attractive to every faction. Humanistic liberals have used it to press for increased public expenditures on curative therapy. People with a less sanguine view of the addict have stressed the contagiousness of the disease--most people catch it from their friends--and have recommended protracted "quarantine" of the addict as a public health measure. Advocates of long-term methadone maintenance have declared the disease to be incurable but controllable, drawing an analogy to the use of insulin to enable diabetics to lead useful lives.

All of these perceptions are paternalistic in their public policy implications, yet they are often associated with the ostensibly libertarian position that heroin should be "legalized." In fact, few people favor legalizing commerce in heroin. The nature of addiction is generally believed to be such that the addicts--and presumably their numbers would be greatly increased--would still be living in a seller's market and committing crimes to support their habits if the trade were merely made legal. What is meant by legalization is rather a government monopoly of supply. While the statement is commonly made that heroin would be free for the addict, further inquiry usually reveals that the proponent of this policy by no means intends that anyone who walks in off the street should be served or that the addict should himself or herself be the judge of how much heroin is received, or how often.

With or without such restrictions, the provision of free heroin sits oddly with libertarian values, since it makes the recipients appallingly dependent upon the government. If, on the medical model, only "maintenance doses" are administered, the criminal market and addict crime may be minimally affected, or even enlarged. However, even in this case, the experience of the much-admired "British system" warns that the addict's motivation to get more than he "needs" is considerably greater than the system's motivation to prevent it. Considering that the British addict population is only a fraction of one percent of the size of ours, we clearly face staggering administrative problems if we wish to design a system that would make a significant dent in the criminal market without adding large numbers of legal addicts to the category of pathetically helpless people with which social policy deals so poorly.

But elite discussion wholly ignores such practical problems. High-minded prattle about disease and victimless crime substitutes for direct address to aspects of the poverty problem that, in the past, were construed as owing to weak character, willful misbehavior, or "racial" moral defects. Not only is law enforcement allowed to wallow in corruption by people who fastidiously disdain to soil their hands with such a subject. Even at the pleasurable level of abstract discussion, there is little recognition that in the area of social policy the question of what behavior "we" should tolerate cannot be tidily separated from the question of what behavior we should subsidize.

Rather, it seems that slogans are used to create a second layer of fog between the advisers of social policy and its intended beneficiaries. If the first layer consists of an array of differences that obstruct the exercise of common sense, the second layer consists of adaptations to these differences, adaptations that allow a privileged class to function as egalitarian liberals. Since it is no mean feat to be an egalitarian liberal elitist, we should not be surprised at the inconsistencies that result--people who, on Monday, favor legalizing marijuana and, on Tuesday, favor illegalizing the failure to fasten one's seat belt.

Perhaps the best approach to understanding these inconsistencies is to recognize that the twentieth century's liberalism did not derive from a break with the Spencerian libertarian liberalism of the nineteenth. Its American antecedents are much more usefully identified with a gradually secularized Puritan civic tradition that was always moralistic and interventionist, becoming humanistic as its otherworldliness faded. While the concept of spiritual forebears is always perilous to invoke, modern liberalism seems to be struggling to combine a New Englandish commitment to improve people with a New Yorkish commitment to let everyone do his own thing.

--The Urban Perspective

But of course Puritanism was itself an urban or at least a town tradition, and oriented toward the use of government to accomplish social ends. While rural populism nudged an embryonic modern liberalism toward heavy reliance on the instrumentality of the national government, neither this influence nor the occasional forays of modern liberals (and nineteenth century Transcendentalists) into the realm of agrarian utopianism should obscure the dominant identification with the city and the civilized town.

This identification has persisted as the highly educated have become ever more a national elite, and the urban perspective has been intensified as the elite has been enriched by Jewish and other immigrant groups which lack roots in rural America. The biases are familiar: rural life is dull, rural people are slow-witted, rural culture is agriculture. For many decades, rural interests in Congress as well as state legislatures were viewed as the primary obstacle to enlightened social policy. Today the growth of suburbs is universally viewed by the elite as a "flight from the cities,"* and the monotony of suburban life is almost as commonly cited as a reason why the fleeing will eventually return.

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*This construction of urban problems dates back more than a century: "At present, the rich and the poor remain in the city, while we are losing, to a greater extent every year, the middle classes." (Annual Report of the Boston Society for the Religious and Moral Instruction of the Poor, 1848.)

By the early 1960's, the obstructive connotations of rurality had largely dissipated except for the special case of the South, where the issue was seen as mainly racial. Starting with the Area Redevelopment Act in 1961, social programs to aid rural areas have expressed genuine sympathies and cares of the urban elite. If their funding per capita poor has been much lower than programs to aid the urban poor, they still cannot be dismissed as Congressional log-rolling. However, it remains that poverty and, even more, inadequate housing, malnutrition, and infant mortality have a much higher prevalence in rural than urban areas, and that the federal social dollar is not apportioned responsively to this fact of life. The elite know this, and are not comfortable about it, as is indirectly attested by their fervor for a nationalized welfare system, but it remains that rural problems are something of a bore.

Thus the urban-rural difference is somewhat in a class by itself as an obstacle to elite perceptions, once we discount its racial aspect. The problems of the urban poor incessantly present themselves for attention, in ways that affect the self-interest as well as the compassion and concern for social justice of the elite. The urban poor pose various threats, and the shamefulness of responding to those threats in an entirely self-interested way compels serious thought. The rural poor pose no threats, they rouse no gut fears, and we tend to leave them to the Department of Agriculture.

But the Department of Agriculture has in recent decades emphasized the advancement of farming on an industrial-progress model that assumes economies of scale and sees no great merit to subsidizing "marginal" farmers or championing the interests of farm labor. To the Department, benefits to the poor from surplus agricultural commodities distribution were incidental, and the present administration of the food stamp program by the Department of Agriculture is, by the same token, anomalous. The response of the elite is, of course, to castigate Secretary Butz and his colleagues, but the logic of this response is somewhat obscure. One may fault Agriculture for misconstruing the means to increase farm productivity, but on the issue of whether Agriculture's basic objective is appropriate for a federal department, current concern about present and prospective global food problems nearly dictates the answer that it is. This being so, I have to suspect that the elite would like to foist an irksome moral responsibility on someone, and a place called "Agriculture Department" is such a convenient victim that subtleties of the appropriateness issue go by the board.

--Classism

There are, finally, obstacles to perception that the liberal elite acquire by association with their peers. One of these is simple snobbery, a quality most often revealed by the modern liberal when discussing the "middle American." But there is always also the lure of a generalized condescension, as illustrated by a recent brochure from Greenwood Press, which invites me to shell out $12.50 for a book entitled The Incomplete Adult. As the flyer informs me, "There's a direct relationship between the rank of a social class and the typical level of personality development within it. The higher the class, the more rapidly and completely its members develop. The converse is apparent as one investigates the lower ranges of the social hierarchy...." Here we have science: "[the book] is an engrossingly original plotting of arrested-development typologies upon a social class matrix...." Perhaps, also, a pornography equivalent: "And, beyond all that, this book is immensely readable."

--The Relativity of Affluence

More insidious--or perhaps not: the preceding stands as a caricature--is the barrier posed by the experience of relative affluence itself. In the summer of 1974 we find a suburban newspaper chain running a series of human interest stories on double-digit inflation. A young high school teacher, a bachelor living with his parents, is depicted as struggling to make ends meet on $15,000 (well above median U.S. family income at the time). "'I can't afford to take a date out to dinner', Ronnie says. 'It would cost at least $40. I haven't bought a piece of clothing...in over a year.' He maintains that he was brought up in a certain life style and is striving to live in that style now." A second article features a young couple (the picture shows them on their bikes) with a combined income of $35,000. Aside from the necessities, they spend "about $60 a week to dine out, $15 on tennis, and $30 to $40 in pocket money...Says Glen, 'The goal of getting ahead in work becomes less and less meaningful. It becomes instead a process of keeping even. No matter how much I rise here, it's not going to be enough. My next raise will cover a rent hike.' Helene adds, 'It's a good thing we don't have kids. I don't know what we'd do.'"

Perhaps it is untrue that the typical youth of the Sixties has become a young adult who expects "instant gratification" in the form of a lifestyle as expensive as his parents', but the case of the young couple has an additional focus of interest. It is customary to imagine the modern two-worker family sharing domestic chores, not as spending more than $3,000 a year for restaurant meals, but the latter, and paid household help, are an obvious option if one can afford it. Considering the great extent to which affluence today rests on combined earnings of husband and wife, we have to expect a blurring of traditional distinctions among necessities, comforts, and luxuries in those many households where both workers want to keep domestic drudgery to a minimum.

But the point is more general than this. On a poll conducted in the spring of 1974,* a tenth of respondents with $20,000 and higher incomes described themselves as "not satisfied at all" with their present income.

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*National Opinion Research Center.

A startling 35% of the $20,000+ group believed that their family's income was average or below average. (Conversely, 70% of the $6-10,000 group and 46% of the under-$6,000 group considered their incomes to be average or above average.) The fact is that both poverty and affluence are relative. Even in the $15-20,000 range, only 35% will go so far as to say they are "pretty well satisfied" with their incomes, and only a bare majority say so in the $20,000+ range.

These sentiments cast additional light on the high subjective poverty line cited by Gallup's more affluent poll respondents. I surmise that a high estimate of what it takes to get by financially often derives from the personal experience of struggling to make ends meet on a budget two, three, or more times the figure one cites. Further, we have in prospect an extraordinary percentage of our population at ages which view the peak of personal affluence as lying ahead. While galloping inflation or protracted depression could dampen or confuse these expectations, a reasonable forecast is that these youngish adults, orienting themselves with respect to their parents or their occupational seniors, will think of themselves as relatively poor. This may be the nicest form of relative poverty, but like all relative poverty it means that choices and sacrifices must be made that those who are better off do not have to make. My own conjecture is that a population dominated by younger families, despite its significant "liberal" component, will have limited interest in funneling more money to the poor.

So What?

Several years ago, someone commented that the problem was not the drug problem alone, but the "drug problem" problem. In extrapolating from this observation, I have tried to convey the message that the social policy aim of "eliminating poverty" is to some extent a cop-out. It was a platitude of the Sixties that the low-income problem could be solved any day we determined to solve it. This is technically a correct statement so far as the poverty gap is concerned. We can, any day we choose, bring all incomes up to the poverty line, and we can appropriate the funds to do this for everyone whose income falls below this level on subsequent days.

However, providing a floor under income at the poverty line in practice requires the payment of partial benefits well above that line. After all, forty hours' work a week fifty weeks a year at a three dollar wage yields earnings of only $6,000, and the poverty line today is above $5,000 for a family of four. Moreover, the $6,000 is pre-tax income. If a guarantee is not to have massive work disincentive effects, either the basic benefit has to be set too low to be attractive to most people who have choices, or else the substantial costs of graduated benefit reductions must be incurred.

"Eliminating poverty" may or may not be technically simple, but it most certainly is not cheap. Also, as I have tried to show, it deals with only one symptom of the needs social policy aims to address. While most of these needs are for services or goods that money can buy, direct money transfers are often inefficient or ineffective to meet them. Also, it is unacceptable to construe social policy as a synonym for poverty policy. We cannot restrict public education to the poor, or the enforcement of equal opportunity laws, or programs to assist families with a severely disabled member, or "G.I. Bill" aid, or police and fire protection. The Preamble to the Constitution speaks of the general welfare. While we are generations removed from serious contention that programs to aid the poor or tax the rich abridge the Constitution's equal protection clause, no one proposes that that clause should be repealed; and most Americans retain a good deal of affection for the narrower principle that the taxpayer is entitled to a reasonable return for his money.

This return may be direct services. It may be insurance. But the taxpayer and the citizen more generally also construes his rights as extending to trusteeship of the public schools, the welfare system, and other publicly funded institutions. Alvin Schorr's statement, with which I began this chapter, seems to deny the legitimacy of this trusteeship function for "the public," although not for "the people sitting here." Probably Schorr would be less abrupt if the subject at hand were not poverty programs but those services from which "the public" directly benefit.

But these are mainly local services. At the national level, it is not merely true that the "my money" attitudes of ordinary citizens require sophisticated forms of organization in order to be heard. It is also true that, since 1960, the mix of domestic policy outlays has undergone a sharp shift away from programs which benefit the general public, and toward emphasis on people below the poverty line. General revenue-sharing is hardly more than a token effort to redress this balance. The more ambitious national health insurance proposals would markedly redress it, but their prospects for passage are not very good.

Thus the issues which underlie my next two chapters remain important. Because national social policy has become so strongly identified with the linkage of income to needs, we have acquired a detailed statistical understanding of the types of people who have incomes below the poverty line. But little attention has been paid to the third of American households or families that are above this line but not so well off as the average. In Chapter III, I summarize the findings of a study which used readily available government and survey data to define the approximate characteristics of this group, and to test such familiar hypotheses as that they are (or feel) neglected by government, and that their typical member is a bigoted "ethnic."

Chapter IV attempts to enlarge our understanding of policy-relevant American attitudes, comparing, first, the poor and the nonpoor; and, second, disaggregating these data by race, region, age, and education. In some cases, these disaggregations stretch the reliability limits for a national sample of modest size, but other data suggest that the effect is to exaggerate or understate real differences, rather than to create differences that do not exist. In any case, Chapter IV has been kept expository. How to interpret the data I leave to the reader, insisting only that the data are important. There are worlds out there of which the elite advisers of national social policy know much less than they should. While the quality of available data constitutes part of this problem, even this aspect may be viewed as a result of the indifference which is the other part.

NOTE: The following chapter is reprinted from The Nonaffluent: A Statistical Profile (HI-2224-RR), April 1975. Principal data sources are the Current Population Reports of the Bureau of the Census, especially P-60, Nos. 90 and 96, and a print-out of responses from the National Opinion Research Center's spring 1974 survey. For detailed references, see the full study.

CHAPTER III

NONAFFLUENT AMERICANS: SUMMARY AND CONCLUSIONS

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NONAFFLUENT AMERICANS: SUMMARY AND CONCLUSIONS

A. Introduction

In 1972, Kenneth Boulding offered the following observation on the characteristics of income groups:*

> "A $5,000 a year income for one person may represent genteel poverty, living in grandfather's big old house, eating very little meat, not having a car, wearing last year's clothes, and so on. For another person, $5,000 might mean a large alcohol consumption, neglect of his family, considerable expenditure on prostitutes, and skimping on medical care. We make pigeonholes labeled, say, $5,000-$6,000 or $30,000-$31,000 and proceed to put all people who have the stated incomes into these pigeonholes. Then, when we look inside each box, we find that we have a fantastically heterogeneous collection of people. In the lower one, we note ministers, graduate students, factory workers, owners of corner groceries, small farmers, landlords, little old ladies living on a pension in Miami, welfare families and so on. In the upper one, we come upon professors, corporation executives, politicians, gamblers, real estate speculators, coupon clippers. Each list appears endless."

Boulding muses further: "I am almost tempted to say that there is no such thing as the distribution of income."

One may also be tempted to say that there is no such thing as the distribution of educational attainment, of "central city" and "suburban" residence, or of women with completed fertility in the range, 1.8 to 2.8. At best, these are "useful abstractions" (Boulding). At worst? Let me illustrate. In reviewing employment characteristics of "nonaffluents," I utilized a study comparing average weekly wages of union and nonunion members. The author's estimates of average weekly wages were obtained from the Current Population Survey's monthly polls of about 50,000 households. While this is about 33 times as many households as Gallup interviews, average weekly wage is not given directly in the survey. It was estimated by multiplying the respondents' estimate of average weekly hours worked by the estimate of average hourly wage. Further, the typical respondent was not the worker but the housewife, since housewives are the people most commonly at home when the survey is taken. It is doubtless coincidence that Monthly Labor Review filled out the last page of the report on this study with a quotation from Sir Josiah Stamp, Inland Revenue Department, England, 1896-1919:*

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*Kenneth E. Boulding, "The Pursuit of Equality," in The Personal Distribution of Income and Wealth (James D. Smith, ed.), N.Y., 1975.

> "The government are very keen on amassing statistics. They collect them, add them, raise them to the n-th power, take the cube root and prepare wonderful diagrams. But you must never forget that every one of these figures comes in the first instance from the village watchman, who just puts down what he damn pleases."

So, all things considered, is it useful to compare the characteristics of income groups? I have suggested that the past decade's remarkable upsurge in income-tested social programs is a reason for developing profiles of other income groups than the poor, but there is slightly less to this justification than meets the eye, since income-tested programs typically take family size, farm or nonfarm residence, and perhaps other factors into account. Certainly it is significant that our oldest income-tested "program," the federal income tax, considers a great many variables, reflecting a commonsense perception that the figure of interest is not money but the ratio of money to needs.

Michigan's Survey Research Center's Income Dynamics Panel Study, funded by OEO with five million dollars for the first five years, uses such a ratio in its tracking of 5,000 families. However, while their sample is weighted to provide an adequate level of reliability for poor and near-poor families, the reliability is poor for households which fall above a 1.25 income-needs ratio. For this reason, despite the strong conceptual appeal of the income-needs breakdown, I have used government sources instead, wherever possible.**

The question, then, is whether income, per se--uncontrolled for need--is a useful abstraction, since this is the only breakdown the government offers except for the poor and, occasionally, the almost-poor. While my opinion is hardly unbiased, since I like to justify the expenditure of my time, the soundest argument that the breakdown is useful rests on the rough correlation of family size with income within the nonaffluent group. By and large, this allows us to say that nonaffluents share the characteristic of normally living fairly comfortably but on a very tight budget which can be seriously deranged by any major unexpected expense. This makes them a category that should be of interest to public policy as such, and, in my "Commentary and Recommendations" section, I discuss them from this perspective.

However, my approach does seem to me to pose serious conceptual problems for comparisons over time. What we want to compare is real

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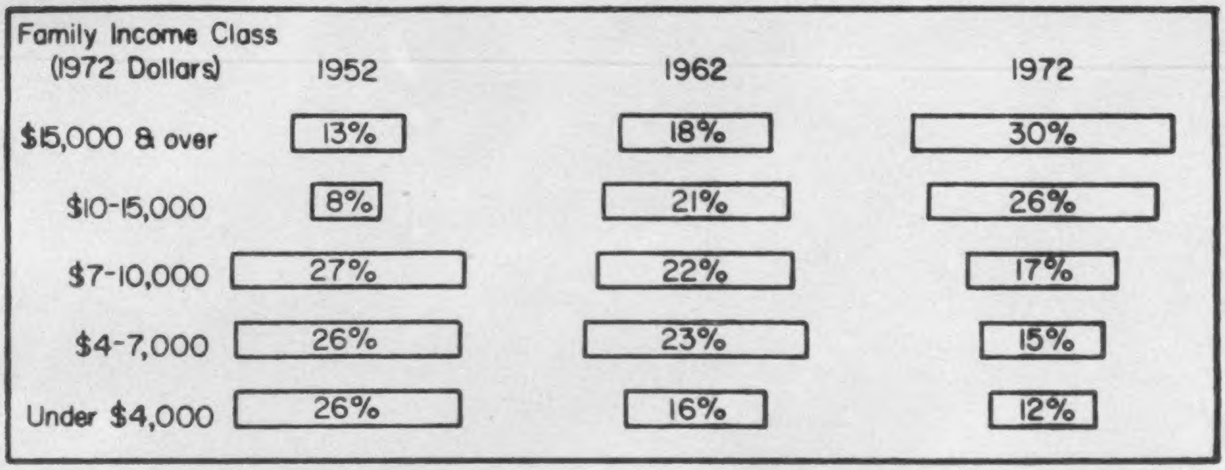
*Quoted in Monthly Labor Review, November 1974, p. 9.

**The same problem arises, of course, with the private attitude surveys, but the government does not, and probably should not, poll attitudes.

Figure 1

THE CHANGING INCOME PYRAMID



purchasing power. This means adjusting for inflation, as in Figure 1 above, but I, for one, find it difficult to visualize Americans in 1952 spending "1972 dollars." The alternative is to use quintiles of families, ranked by income. This allows us to compare families that, in the context of their own time, were viewed as sub-average but nonpoor--the second lowest quintile--but here again a conceptual problem arises. For all the dramatic upgrading of U.S. material wellbeing, the second lowest quintile's share of U.S. family income was 11.8% in 1947 and 11.9% in 1972, with very slight upward fluctuations in between. In conjunction with Figure 1, this seems wholly improbable. Are the computations somehow circular? Apparently, the answer is No, but the feeling of discomfort remains.

B. Nonaffluents Over Time

Perhaps the best we can do is to refer to income quintiles but to specify their income composition. Thus, in 1972, the second lowest fifth included 11 million families, all of them in the $5-10,000 income range. In 1952, it included two and a half million families with incomes below $4,000 in 1972 dollars (i.e., below about $2,600 in 1952 dollars) and more than half of the families in the $4-7,000 range (i.e., about $2,600 to $4,500 at the time) for a total of 8.2 million families.

Over the twenty-year period, the percent of nonaffluent families, so defined, that reported no income from earnings rose from 4 to 9%; for the bottom quintile, the change was from 21 to 36%. The drop in percentage reporting no unearned income is so large for all fifths (from 78 to 40% for the nonaffluent and middle quintiles) as to raise questions about its authenticity.

Among demographic changes, the most marked for nonaffluent-fifth families has been a decline in farm residence from 15 to 5%. For the bottom fifth, the decline was from 31 to 7%; for the middle quintile, from 9 to 4%. The second greatest change is in the percent of all nonaffluent-quintile families that are classified as male head, wife employed: these have increased from 16 to 27%. By contrast, the increase in the middle quintile has been from 19 to 37%; in the second-highest from 29 to 47%; in the highest from 35 to 49%.*

The percent of families that are female-headed has increased only slightly (from 10 to 14%) for the nonaffluent quintile in the 20-year period, compared to a jump from 22 to 32% for the lowest fifth of families. Meanwhile, the nonwhite representation in the nonaffluent group has dropped from 17 to 12%, while rising slightly for the three upper fifths and declining slightly for the poor.

Nonaffluent family heads are half again as likely (12 vs. 8%) to be under age 25 as in 1952, and they are more likely than then (18 vs. 13%) to be 65 or older. However, the modal age range remains 25-34 (24%). The greatest drop has been in the 35-44 group, but this age group of family heads has a somewhat reduced percentage in all income quintiles, reflecting the "baby drought" of the Depression years.

Among nonaffluent-fifth family heads, farm employment is only a third as common (4%) as twenty years ago, and the percentage who are nonfarm laborers has been cut in half (to 6%). The dominant employment categories are craftsman-foreman (24%) and operative or transport worker (also 24%). The latter has declined from 27% in 1952, but this is a smaller decline than for any other income quintile. The craftsman-foreman category has increased from 19%, compared to a rise from 9 to 16% for the lowest quintile, but most family heads in these occupations remain relatively affluent, accounting for a quarter of employment in both the middle and second-highest income quintiles.

Nonaffluent family heads are more likely than twenty years ago to be employed in all of the white-collar categories: professional-technical, managerial, clerical, and sales, the total so employed having increased from 21% to 34%. The most striking change here is in the shift within the nonfarm managerial group. In 1952, three-quarters of the nonaffluent managers-administrators were self-employed. Two decades later, seven-tenths were salaried. Dramatic changes in this respect characterize all income quintiles.

However, this is a point on which it is helpful to balance a relative conception of nonaffluence (i.e., quintiles) with the absolute criterion based on 1972 purchasing power. In 1952, Americans with incomes equivalent to $7-10,000 in 1972 dollars accounted for 27% of all family heads--and for 36% of all family heads employed as salaried managers; twenty years later, such people were 17% of family heads and only 9% of salaried-manager heads. While their share of all self-employed managerial jobs also dropped in this period, their share of all family heads dropped faster. We thus obtain the following ratios for this upper-nonaffluent group:

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*While this breakdown may be used to illustrate the extent to which a wife's employment status "determines" family income, other data for 1972 show a sharp drop in the percent of wives who work, where husband's income exceeds $15,000; and they also show a slight majority of working wives for men who have any earnings at all.

% of National Family-Head Totals	1952	1972
All Salaried Managers/All Heads	1.33	.85
All Self-Employed Managers/All Heads	.53	.94

The message on self-employed manager jobs is further conveyed by the ratios (as above) for lower nonaffluents: 1952 = .92, 1972 = 1.00; and for the poor: 1952 = .96, 1972 = 1.83. While a change in Census Bureau category definition in 1967 somewhat exaggerates the declining rewards of the self-employed businessman, it seems clear that recent decades have continued the long-term trend toward foreclosing this traditional avenue of upward income mobility. Mean income of families headed by a self-employed nonfarm manager was 25% higher than mean income for all families in 1952. Twenty years later it was slightly below the national mean.

At the same time, the numbers and earnings of salaried managers have greatly increased, illustrating the point that "nonaffluence," like poverty, is a relative concept. In 1952, salaried managers with purchasing power comparable to a $7-10,000 income in 1972 considered themselves quite well off. To college students at that time (I was one), family income of $10,000 appeared a very reasonable lifetime goal.

Returning to comparison of income quintiles, consider now the subject of education. Unfortunately, available data on educational attainment of family heads only allows us to compare 1972 and 1961. Oddly, the nonaffluent-quintile heads are singular in showing a 25% jump in median years of school completed between these years (i.e., from 9.6 to 12.0), compared to 6 and 9% for the middle and bottom quintiles. Thus, the educational level of nonaffluent family heads was closer to the bottom than to the middle quintile's in 1962 while the reverse was true a decade later (1962 = 9.6 years vs. 8.5 and 11.7; 1972 = 12.0 vs. 9.3 and 12.4). Changes in age composition appear wholly inadequate to explain this shift, as does the slight increase in female family heads (who, in this part of the income distribution, are probably better educated than males). But, for whatever reasons, the differences among the four upper quintiles have narrowed from 3.1 to .9 years.

On the following page is a comparison of the quintile changes to those for income groups (in 1972 dollars). The influence of prosperity

Table 1

1972 (1961):	Lowest Quintile	- 9.3 (8.5)	Under $4000 Inc.	9.0 (8.3)
	2nd Quintile	- 12.0 (9.6)	$4-7,000	10.2 (9.0)
	Middle Quintile	- 12.4 (11.7)	$7-10,000	12.1 (11.7)
	4th Quintile	- 12.6 (12.2)	$10-15,000	12.4 (12.2)
	Top Quintile	- 12.9 (12.7)	$15-25,000	12.7 (12.6)
	Top 5%	- 15.3 (14.4)	$25,000+	15.2 (14.4)

is most neatly illustrated here by the middle quintile, whose median years of schooling were identical to the upper nonaffluents' in 1961 and to the lower affluents' in 1972.

For the nonaffluent quintile's family heads, there has been a marked change in percentage at every educational level except for 1-3 years of high school. The shifts between 1961 and 1972 were as follows:

% with:	Less than 8 years schooling:	from 22 to 15%
	8 years schooling:	from 24 to 15%
	1-3 years high school:	20% in both years .
	4 years high school:	from 25 to 34%
	1-3 years college:	from 6 to 10%
	4 or more years college:	from 4 to 7%

As a final indicator of change over time, I repeat a table from Chapter IV, which shows a number of types of families that had average (mean) income below the national average in 1972, with a comparison to 1952 (see Table 2 on following page). Within the range of these families that tend to be nonaffluent or poor, several types are relatively better off than in the past. These include large families, families in the South, nonwhite families, and families headed by a farmer. (Obviously, there is overlap among these groups.) A significant decline in relative income position has been registered by female-headed families, those headed by a blue-collar worker, a clerical worker, or a self-employed businessman, those with a very young or elderly head, and, since 1962, the families headed by a high-school drop-out. (Families with three children are the only type that had incomes below the national average in 1952 and above the national average today.)

As always, this set of figures does not tell a full story. In fact, rapid changes in educational attainment levels mean that men at all levels average a smaller percentage of the national male income average than they did eleven years ago. Indeed, the three point decline for the least educated is smaller than any of the others, reflecting the effect of the minimum wage. Second, the table shows that the average income of large families, while rising, is relatively low; also, the average income of one-child families is too high to appear on the table. But it is also true that nonaffluent families, partly because of their youth, are the most likely to have only one child and are less likely than the affluent or the poor to have more. Further, if all

Table 2

FAMILY TYPES THAT ARE BELOW MEAN FAMILY INCOME: RATIO OF THEIR INCOME TO MEAN FAMILY INCOME IN 1972/1952

	% OF ALL FAMILIES		RATIO TO FAM. MEAN INCOME	
	1972 %	1952 %	1972	1952
Family head: Private household worker	.4	.7*	.32	NA
No earners	10.0	6.0	.38	.34
Family head: farm laborer or foreman	1.0*	2.0*	.52	.52
Family head: less than 8 years schooling	12.0	--	.52**	.55**
Female-headed families	12.0	9.0	.54	.66
Family head ages 14-24	8.0	5.0	.63	.70
Family head ages 65+	14.0	13.0	.66	.74
Family head: 8 years schooling	11.0	--	.67**	.79**
Family head nonwhite	11.0	10.0	.69	.59
Family head: Farmer or farm manager	3.0*	10.0*	.71	.62
Family head laborer exc. farm	5.0*	7.0*	.73	.70
Family head service worker, exc. private hh	8.0*	6.0*	.74	.79
Family head: operative, incl. transport	18.0*	21.0*	.81	.91
Family head: highschool dropout	16.0	--	.83**	.96**
2 person families	37.0	33.0	.84	.86
Family head: clerical worker	8.0*	6.0*	.86	1.03
1 earner families	37.0	52.0	.88	.92
Southern families	32.0	30.0	.90	.79
6 or more children under 18	2.0	2.0	.90	.73
5 children under 18	2.0	2.0	.92	.77
Male head, no wife present	3.0	3.0	.92	.96
Family head ages 25-34	22.0	24.0	.93	.96
Family head: craftsman	21.0*	21.0*	.95	1.01
4 children under 18 years	5.0	4.0	.97	.90
No children under 18	43.0	41.0	.97	1.00
Male head, wife not working	50.0	65.0	.98	.99
Family head: self-employed manager or admin., non-farm	3.0*	7.0*	.99	1.25

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*% of employed family heads

**Ratio calculated from data for males 25 and over. Ratios are for 1972 & 1958. CPR, Series P.60, No. 92, Table 1.

SOURCE: CPR, Series P.60, No. 90, December 1973, pp. 6-7.

children are counted, not merely those under eighteen, average family income rises markedly with family size. For some ethnic groups (e.g., the Irish) it is still rising at the level of seven-or-more family members. For most, the five or six person family is the most prosperous.

Third, Table 2 deals with families. It therefore excludes the twenty percent of all independent households that consist of only one person.* Most of these one-person households are not affluent--their median income in 1973 was $4,134, compared to $10,512 for all households and $12,051 for all families--and most are comprised of an elderly person. For a study dealing with strata of purchasing power, and with the "nonaffluent," there is a serious undercount, especially of the elderly, if only family data are used.

Conversely, if only household data are used, the larger numbers of one-person households with very low incomes also produce a picture that can be misleading. To cite only one example, if I wished to document that nonaffluents are, by and large, productive members of the community, I could say that their percentage of households with a nonworking head (35%) only slightly exceeds their 30% of all households. If I wanted to argue the opposite, I could with equal authority state that nonaffluents comprise a third of all families but nearly half (44%) of those with a nonworking head.

The contribution of the elderly to these differences is indicated by comparing the median ages of household and family heads. For upper nonaffluents, both medians are 43 years. For lower nonaffluents, median age of family heads is 48, of household heads 54. For families and households with incomes under $4,000 in 1972/3, the medians are 52 and 64.5 years respectively. However, whether one looks at household or family heads, the median ages for the lower and upper nonaffluent groups are equidistant from the national median in opposite directions.

C. Definitions

At this point, I had better stop to review my definitions of terms. The focus of interest is the nonaffluent (NA), and sometimes its lower (NA-L) and upper (NA-U) halves. Lower-income families or households are designated as Poor (P) on the basis of an income ceiling, not the official poverty line. Affluent families (A) are sometimes divided among lower (LA), middle (MA), and upper (UA) groups. My principal usages are listed in Table 3 on the following page.

It must be appreciated that none of my figures should be cited without reference to the income definitions. Most importantly, the

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*A "household" is a person or persons who live under one roof, sharing a common entrance and/or kitchen, and excluding rooming houses, military barracks, and residential institutions.

Table 3

HOUSEHOLD/FAMILY INCOME GROUPS

P = LESS THAN NA

NA = $4-10,000 (CENSUS), $5-10,000 (GALLUP)
$6-10,000(NORC, 1974)

NA-L = $4-7,000, $5-7,000
NA-U = $7-10,000

A = $10,000+

LA = $10-15,000
MA = $15-20,000 (NORC, GALLUP), $15-25,000 (CENSUS)

UA = MORE THAN MA, MORE THAN LA (SOME PRE-1972 SOURCES)

1974 NORC survey data (based on 1973 incomes) exclude a majority of NA-L households from the "nonaffluent" category; they may best be interpreted as representing the core of the nonaffluent group. Where I have occasionally used pre-1970 sources, categories have been shifted by rough reference to median-income and poverty lines at the time.

D. Recent Data

1. Income, Age, and Family Size

There are 8.2 million families in the lower-nonaffluent range, down by 23% since 1952, and 9.1 million (down by 19%) in the NA-U range.* Only a third of NA-L and 41% of NA-U families derive all their income from earnings. A fifth of NA-L and 5.6% of NA-U families have no earned income. These are mostly elderly people, and the percentages are higher for nonaffluent households than for nonaffluent families.

At the opposite extreme, 6-7% of male and less than 3% of female workers in the country at large report income from more than one job. While a "nonaffluent" break-out is not available, I conjecture from the primary jobs of the male multiple jobholders--mainly teaching, police, firemen, and postal workers--that a second job is less often a way to escape poverty or nonaffluence than to improve affluence-level earnings. This is probably not true for the women (a slight majority of whom are single); on the other hand, the women are a bit more likely than the men to say that they hold a second job because they enjoy the work, and less likely to say that the purpose is to meet regular expenses.

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*Households, as discussed later, are: NA-L = 10.7 million, NA-U = 10.2 million.

Nonaffluents are overrepresented among families with only one earner. Indeed, if the Census figures are to be believed, average number of earners per family rises in step with income group: P = 0.72, NA-L = 1.16, NA-U = 1.52, LA = 1.79, MA = 2.16, UA = 2.28. Considering the liberal Census definition of employment--any paid work by people 16 or older in the survey week, plus a few special cases--and considering the great increase in working wives, it is even more surprising that only the MA and UA families average more earners than 20 years ago, although it is true that adolescents old enough to be counted as employed are concentrated in more affluent families. Possibly the less affluent conceal their teenagers' work status because these unreported earnings contribute significantly to the family's income.[*] Or perhaps there are fewer work opportunities for nonaffluent youth.

In any case, the data on numbers of earners reported by NA families may be briefly summarized:

NA-L --30% of all U.S. families with no earners
20% of NA-L families have no earners

--21% of all families with one earner
49% of NA-L families have one earner

--11% of all families with two earners
28% of NA-L families have two earners

-- 4% of all families with 3, and 3% of those with 4 or more earners
3% of NA-L families have 3 or more earners

NA-U --10% of all U.S. families with no earners
6% of NA-U families have no earners

--21% of all families with one earner
48% of NA-U families have one earner

--17% of all families with two earners
40% of NA-U families have two earners

--10% of all families with 3, and 7% of those with 4 or more earners
7% of all NA-U families have 3 or more earners

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[*] A somewhat higher percentage of NA and a considerably higher percentage of poor families report 3 or more earners on the nongovernmental National Opinion Research Center (NORC) polls than on the Census Bureau surveys.

While a major factor differentiating the no-earner rates of the NA-L from the NA-U families is the number of elderly retired people in the lower group, it is also true that, nationally, 3.8 million white and nearly 2 million black children live in families with a nonworking head. Of the children under six in such families, 23 percent of the white and 17% of the black are in nonaffluent families; of those ages 6-17, 32% of the white and 22% of the black children.* However, some of the nonemployed parents of children are also retired.

While the "typical" nonaffluent family does not have a working wife, more than half of all husbands who have any earnings now have working wives, and the figure falls below half (to 39%) only for husbands with earnings of $15,000 or more.** Most working wives make a significant contribution to family income. A quarter of the working wives of men who earn less than $5,000 earn more than $5,000 themselves. The percentage is similar where husbands earn $5-7,000, with an additional 26% of working wives earning $3-5,000. Where the husband's earnings would place his family in the NA-U range, 35% of the working wives earned at least $5,000. About 57% of women with husbands who earn $5-10,000 hold jobs themselves, and 53% of those whose husbands earn less.

Since men with sub-average earnings are the most likely to have wives who work, and families with sub-average incomes are least likely to have working wives, it seems reasonable to conclude that the increase in working wives has been a major factor reducing the numbers of families in the nonaffluent income range. Only 1% of all white children ages 6-17 who have two working parents are in families with less than $5,000 income; and only 17% are in families with $5-10,000 income (1972). This compares to 3% and 24% respectively where the husband works but the wife does not. In other words, the "affluent" percentages are 82% versus 73%. Among comparable black husband-wife families, a working wife raises the percentage of children who are "affluent" from 37 to 59% where the husband works, and drops the percent "poor" from 18 to 8%.

Among single women with children, the percent who are employed rises from 64% at the bottom of the nonaffluent income range to 96% at the top. At higher income levels it drops slightly. Among all employed nonaffluents (sexes combined), fewer than 10% work 50 or more hours a week, compared to 7% of the poor and 22% of the upper affluents, assuming that self-reports on work hours can be believed.

Looking at all nonaffluent households, we, of course, find more such units than families: 10.7 million for the NA-L and 10.2 million

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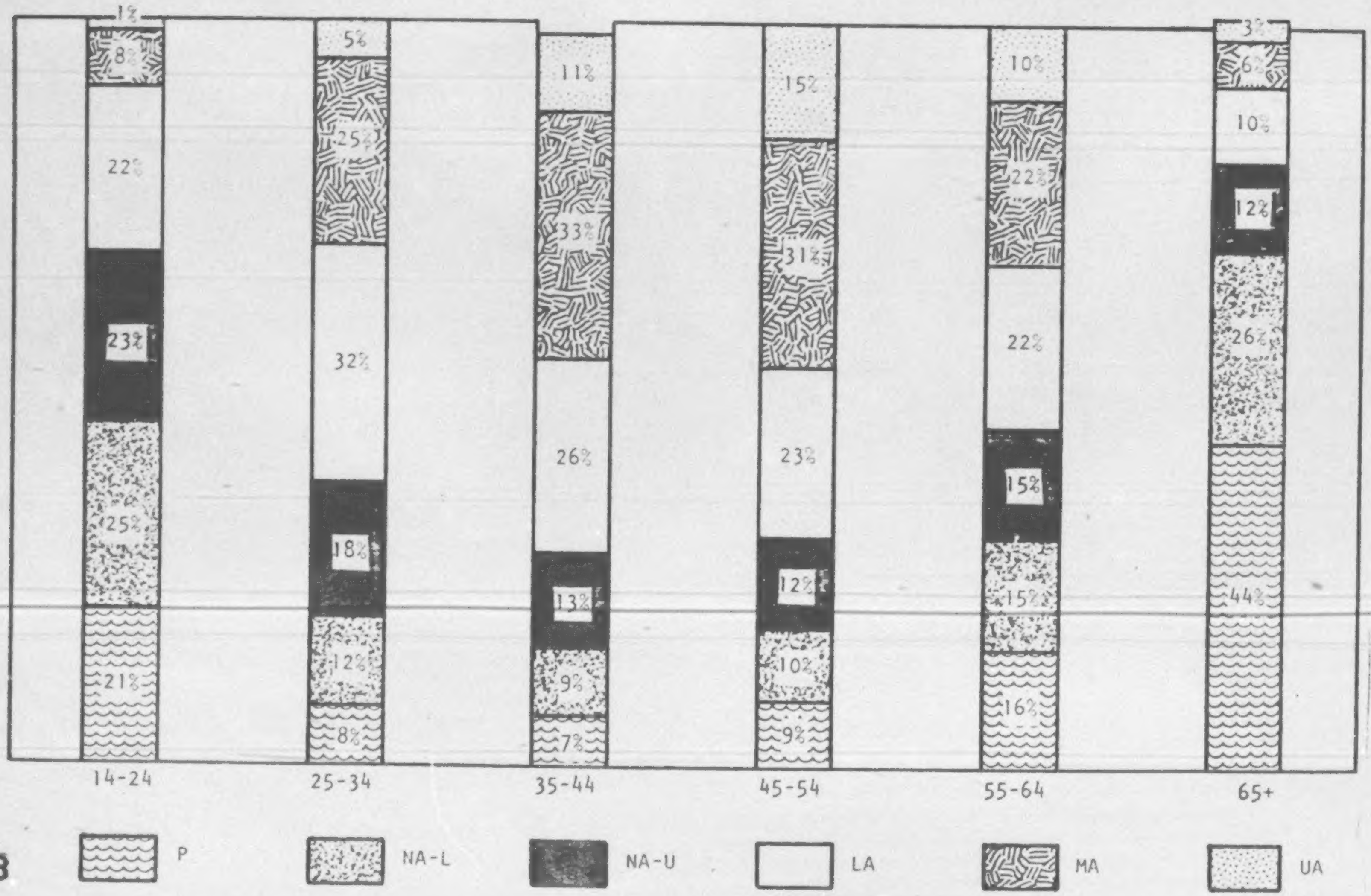
*NA = $5-10,000 income in 1972.

**Among nonaffluents, survey data show that 48% had mothers who worked for a year or more at some time after the mothers married, about the same as other income groups.

Figure 2

INCOME GROUP DISTRIBUTION OF HOUSEHOLD HEADS BY AGE, 1973



Irregularities reflect rounded percentages for the NA-U, out of a national total of 70 million (P = 13.3 million; A = 36.7 million). Figure 2 shows the income distribution of household heads by age. Nearly half of the under-25 household heads have nonaffluent incomes, and 38% of those ages 65 and older, compared to 22% of the 35-54 year olds. Turning the computation around, we find that 14% of NA-L households are headed by a very young person, 33% by a very old one. For NA-U households, the figures are 13 and 16% respectively; for lower affluents, 8 and 9%. By contrast, 26% of MA households, but only 15% of NA-U and 12% of NA-L, are headed by someone aged 45-54 (and this age group accounts for 35% of upper affluent units). In short, life stage is one important determinant of income status.

Between 1968 and 1973, the average size of all U.S. households declined from 3.2 to 3.0 persons. For NA-L households, the decline was from 2.8 to 2.5; for NA-U, from 3.3 to 2.9. The following table profiles household size for nonaffluent and all U.S. families:

Table 4

HOUSEHOLD SIZE, 1973 (ROUNDED %)

	$4-7,000	$7-10,000	All Households
1 PERSON	27%	17%	19%
2 PERSONS	40	35	31
3-4 PERSONS	22	33	33
5-6 PERSONS	8	11	14
7+ PERSONS	3	4	4
	100%	100%	100%

Including income groups not shown in the table, there is a close correlation of household income and household size, rising to 3.8 average members for upper affluent units.

Data from a University of Michigan study show remarkable income mobility between 1967 and 1972.* To summarize, comparing the two years:

--36% of the very poor and 55% of the moderately poor had moved above the poverty line

--47% of the near-poor had moved to a higher group

--19% of the main nonaffluent group had moved to a lower, and 27% to a higher group

--37% of lower affluents had dropped one group or more

--19% of the upper affluents had become nonaffluent or poor

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*The Income Dynamics Panel Study cited earlier.

The principal reasons for these shifts were changes in the composition of the family and in the participation of family members in the labor force. There also were marked fluctuations within the five-year period, with only 2.4% of families poor every year but an extrapolated 85 million Americans at some time eligible for public assistance, food stamps, and/or public housing.

2. Other Family/Household Characteristics

Fourteen percent of NA-L and 11% of NA-U households are headed by a Negro. The percentage (including many elderly) headed by a woman is: NA-L = 34%, NA-U = 23%, the latter being identical to the figure for the country at large. Nonaffluent families with an employed female head account for about three-fifths of all white and black children under six who live in such families, and a slightly larger percentage of such children ages 6-17. Nonaffluent families also account for a sixth of all fatherless children under age 6 whose mother is not employed, and for 26% of white and 18% of black children ages 6-17 who belong to such families.

Overall, 82% of NA-L white children and 73% of NA-L black children are in families with an employed head, compared to 91 and 84% for NA-U white and black families. A fifth of NA-L and a tenth of NA-U white children are in female-headed families, the figures for black children being NA-L = 38%, NA-U = 18%. The following table shows distribution of family types within income groups:

Table 5

HOUSEHOLD TYPE, 1973 (1968)

	P	NA-L	NA-U	LA	MA	UA
HUSBAND-WIFE	25% (31%)	53% (60%)	66% (75%)	80% (85%)	88% (89%)	91% (91%)
OTHER MALE-HEADED	15 (15)	13 (10)	11 (8)	9 (6)	6 (5)	6 (5)
FEMALE-HEADED	60 (54)	34 (30)	23 (17)	11 (9)	6 (6)	3 (4)

(CPR, P-60, No. 96)

According to survey data, almost three-quarters of nonaffluent adults were living with both parents at age 16, 15% with one parent, 6% with a parent and a step-parent, 6% with someone else. (These percentages vary little by income.) Where a nonaffluent adult came from a broken family, the reported reason was death in a majority of cases.

The nonaffluent are slightly more likely than others to name only one country of ancestry (61%). Of those who do, the country most commonly named is Germany (19%), followed by Ireland and England (12% each). Two-thirds of nonaffluents were raised as Protestants, 30% as Catholics. Only about five percent claim no religion.

3. Occupations

Survey data indicate that nonaffluent and lower-affluent adults' fathers had or have a nearly identical occupational distribution: 29% were or are craftsmen or foremen, 21% farmers, 18% managers, administrators or salesmen, 11% operatives, and 11% laborers or transport workers.* Having a farmer father correlates inversely with income, with a range from 37% for the poor to 17% for middle and upper affluents.

NA-L family heads account for a surprising 35% of all farm laborers (compared to their 12% of all employed family heads) and, with the NA-U, a majority (53%). Also, the combined NA groups include 32% of all farm owners and managers. However, as Table 6 shows, these categories account for only a small fraction of NA employment.

Table 6

OCCUPATIONAL DISTRIBUTION OF NA-L, NA-U, AND ALL FAMILY HEADS

	NA-L		NA-U		All Fam. Heads	
	1952	1972	1952	1972	1952	1972
Professional & technical wkers.	5%	6%	9%	8%	8%	14%
Managers & administrators	9	7	13	9	13	15
Farm owners & managers	7	6	5	4	10	3
Farm laborers & foremen	.8	3	.3	1	2	1
Craftsmen & foremen	22	17	26	23	21	21
Operatives	28	23	23	24	22	16
Service wkers.	8	15	5	9	6	8
Nonfarm laborers	9	8	5	8	7	5
Clerical wkers.	8	10	8	10	6	8
Sales wkers.	4	5	6	5	6	8
	100.8	100	100.3	101	101	99

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*Census data subsequently cited combine operatives and transport workers.

Not shown on the table are the fact that 50% of all household heads currently in military service are nonaffluents (although nonaffluents are less likely than affluents to have been in the military at some time); or that white nonaffluents have somewhat more than their share of self-employed family heads (NA blacks have less than their share of such black heads, most being poor).

Among all heads of husband-wife families, the percent employed as professionals or managers rose a remarkable 46% between 1960 and 1970, accounting for a considerable part of the rise to affluence. Forty percent of middle affluents now hold these types of jobs, compared with 20% of NA-U and 14% of NA-L household heads. Nonetheless, slightly more middle affluents are craftsmen or foremen (23%) than are either professionals or managers. Only where income exceeds $25,000 is craftsman-foremen employment (11%) less than professional (31%) or managerial (34%). Non-affluents' percent of all categories is as follows:

Table 7

NONAFFLUENTS' SHARE OF TOTAL HOUSEHOLD-HEAD EMPLOYMENT BY OCCUPATIONAL CATEGORIES, 1973

OCCUPATION	SHARE OF NONAFFLUENT
% of all employed hh heads	27%
% of:	
Professional, technical	16
Managers, administrators	15
Farm owners, managers	32
Farm laborers, foremen	53
Craftsmen, foremen	22
Operatives	33
Service workers	41
Laborers, nonfarm	41
Clerical workers	39
Sales workers	22

On an industry breakdown of family head employment, the 12% who are NA-L are notably over-represented in the primary industries except for mining, in personal services, entertainment and recreational services, and, to a lesser extent in business and repair services and retail trade. They are notably under-represented in public administration.

Within all industry groups except public administration, the NA-L have double or more their "share" of jobs in the miscellaneous laborer category. They are proportionally represented among craftsmen, foremen, and operatives in most industrial groups. So far as clerical and sales employment is concerned, the NA-L family head is most commonly found among the small numbers of such workers in professional or business and repair services, or the large numbers in retail trade. Professional or managerial employment of NA-L family heads is not common, but there are 152,000 such workers in retail trade, 8% of the total, and a similar percentage (although many fewer) in personal services.

NA-U family heads are also over represented in many of the "other worker" groups. In other categories, they notably exceed their "share" of clerical and sales workers in professional and in business and repair services (both very small groups), in the also small blue collar category in both these industries, and among craftsmen, foremen and operatives in the more numerous wholesale and retail trade groups, and in manufacturing.

Among industry groups, the NA-U heads are markedly under represented in public administration and in finance, insurance, and real estate. They are markedly over represented in the small entertainment and recreational services industry. They approach their share of professional and managerial employment only in retail trade.

When I calculate the absolute numbers of nonaffluent family heads by industry, they show the following ranked distribution by NA-L and NA-U groups (numbers of workers in thousands):

RANK		NA-L	(%)		NA-U	(%)
1.	Manufacturing	1,300	(24)	Manufacturing	2,340	(31)
2.	Retail trade	825	(15)	Retail trade	1,100	(14)
3.	Agric., etc.	625	(11)	Prof. services	780	(10)
4.	Prof. services	624	(11)	Construction	731	(10)
5.	Construction	559	(10)	Transp. utils.	555	(7)
6.	Transp., utils.	333	(6)	Agric., etc.	475	(6)
7.	Personal services	242	(4)	Pub. admin.	348	(5)
8.	Business, repair ser.	240	(4)	Wholesale trade	322	(4)
9.	Wholesale trade	230	(4)	Bus., repair serv.	315	(4)
10.	Finance, etc.	220	(4)	Finance, etc.	260	(3)
11.	Pub. admin.	174	(3)	Personal serv.	187	(2)
12.	Entertainment, etc.	80	(1)	Mining	96	(1)
13.	Mining	66	(1)	Entertainment, etc.	88	(1)
		5,518			7,597	

4. Location

Disproportionate numbers of nonaffluents live in the South. While most, countrywide, live in metropolitan areas, they comprise a slightly higher percentage of families outside these areas than in them. Looking at married nonaffluent men by age, only those under 25 and over 64 comprise as high percentage of married men their age in metropolitan areas as in others.

NORC survey data comparing current residence to residence at age 16 show that nonaffluents are about as likely as other income groups to have grown up in relatively large or middle-sized cities. With the poor, they are the most likely to have moved to such cities. No income group has moved to middle-sized cities; the more affluent show a marked trend to move away from them; and all groups have moved away from small towns and farming areas.

Table 8

RESIDENTIAL LOCATION AT AGE 16 AND (-) AT PRESENT, BY RESPONDENT'S HOUSEHOLD INCOME GROUP, 1974

	UNDER $6,000 (P)	$6-10,000 (NA)	$10-15,000 (LA)	$15-20,000 (MA)	$20,000+ (UA)
City: 250,000+ pop.	14-29%	15-23%	14-16%	15-19%	19-21%
City: 50-250,000 pop.	11-10	12-13	11-10	16-10	17- 6
Suburb of either of above	5-13	5-15	11-27	10-30	14-34
Less than 50,000 pop.	71-48	68-49	64-47	60-42	50-40
--Open country	45-14	39-15	32-13	27-10	22- 7
MOBILITY SINCE AGE 16					
Same state & city*	44%	43%	40%	46%	30%
Same state, diff. city	22	26	32	24	26
Diff. state, city	33	31	28	30	44

*City or "place."

As is shown in the bottom section of Table 8, 40% or more of all but the upper affluent group live in the same state and city (or place) as at age 16. Unquestionably, a much larger percentage live in the same general area. Among nonaffluents, 64-67% have lived in their present home for at least three years; this is slightly lower than for the affluent or the poor.

Overall, about 20% of all Americans change homes every year, but this figure is only doubled over a three or four year period. Nonaffluent males are slightly more likely (42%) than either the affluent or the poor to have moved one or more times between 1970 and 1973. For all three income groups, metropolitan residents move more than others, and most moves occur within the same general area. Nonaffluent married men who had changed residence one or more times between 1970 and 1974 included close to 90% of those under 25, 68% of those 25-34, 37% for the 35-45 age group, 24% for ages 45-64, and 17% of the elderly.** The mobility of husband-wife families tends to vary inversely with income where a breakdown by husbands' age is used, except that affluent males ages 25-34

**Data for metropolitan areas.

are more likely than others to move (possibly because 30 is the average age for first-time home purchase).

All income groups are much less likely to express very great or great satisfaction with the city or place where they live than with their health, friendships, or family life. The figures for nonaffluents are 42%, versus 61, 71, and 77%. On the other hand, 70-75% say that "on the whole" they are satisfied with the quality of life in their communities. As with all income groups, a substantial majority of nonaffluents (74-78%) prefer "single family dwellings spread more or less evenly over the overall region" to "clustered, multi-family apartment dwellings with open area in between," and they also share the near-universal preference for small towns over other locations. (A quarter of nonaffluents would like to live on farms, only 12-14% in cities.)

Nonaffluent whites are similar to upper affluents (47-45%) in being most likely to say Negroes live in their neighborhoods. However, in answering this question affirmatively, the NA, LA, and P much more commonly mean "on this block" (44-45%) than the MA and UA (29-32%). Among whites with Negro neighbors, 95% of nonaffluents believe that the area will still be integrated in a few years, rather than becoming all black. While theirs is the highest percentage, only the poor (83%) differ significantly.

A majority of nonaffluents (54%) say that it's safe to walk in their neighborhood at night (P=45, UA=63%). Nine percent of nonaffluents and poor say their homes were burglarized in the past year (Others=6%); 6% of the poor, 2-3% of other groups, experienced a robbery.

5. Housing

At 58%, the home ownership rate of nonaffluent households is much closer to that for the poor (50%) than to the lower affluents' (73%). Nonaffluents also account for nearly half of all households that live in mobile homes; almost a million nonaffluent households do so. Close to a third of NA-L homeowners are 65 or older, compared to a majority of poor homeowners. Among upper nonaffluents, roughly an eighth of homeowners are elderly.* While very few nonaffluents own or rent homes that lack plumbing, they account for about a third of all such owned and rented homes. These are almost entirely located in the South, and the nonaffluents who own or rent them are more likely to be black than white. The racial breakdown on rental housing with plumbing deficiencies is, for lower nonaffluents, total=6-9%, black=11-17%; for upper nonaffluents,

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*The Poor and the NA-L own virtually identical numbers of homes (5.7 million). The NA-U own 7.3 million.

4 and 8% respectively. The figures for owned homes are similar. More than a quarter of nonaffluent blacks' rented housing in the South lacks full plumbing. Blacks also, at all income levels, own homes with a lower median value than comparable whites. Again this is related to the concentration of blacks in the South, where owned-home value is lower for both races.

6. Possessions and Debts

Between 1968 and 1972, the average nonaffluent household spent $3,416 for cars, home appliances, home furnishings, and home entertainment, with 69% of this sum accounted for by cars. Nonaffluents accounted for 20% of all consumer durable expenditures in this period, compared to 9% for the poor and 29% for lower affluents.

As was true for all income groups, nonaffluent households headed by someone under 25 spent the most:[*] $6,372, compared (for instance) to $4,408 where the head was 35-44. Among the youngest households, the nonaffluents averaged higher absolute outlays than the $15,000+ income group for refrigerators and freezers, room air conditioners,[**] and black and white television sets, and nearly as much for washing machines and kitchen ranges. They spent much less than the affluent for new cars, clothes dryers, and furniture.

Twenty-three percent of lower-nonaffluent households owned at least two cars in 1972; 15% owned at least one current model. For upper nonaffluents, the comparable percentages were 33% and 21%. Nonaffluent second-car ownership has nearly tripled since 1960. A detailed breakdown of nonaffluents shows 7% of the near-poor and 16% of the near affluent commuting more than 15 miles to work (A=21%). The commonest distance from work is 2-5 miles (NA=16-20%). More than 85% of NA workers commute by car; of these, 85% drive alone.

According to a 1973 survey, 56% of the heads of nonaffluent households had taken an auto trip of one hundred miles or more one way within the year, compared to a third of the poor, and 74-80% of the affluent. The same survey indicates that nonaffluents are only slightly more likely than affluents to use public transportation, and much less likely than the poor. Ten percent of nonaffluents and lower affluents, compared to a quarter of the poor, said they had missed some activity in the previous year because of inadequate transportation.

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[*] I assume that the 5-year cumulation total for the youngest age group is exaggerated by the larger number of newly formed households entering this category each year.

[**] Of all nonaffluent households, 44% have air conditioning, and over half of these cool four or more rooms. NA and P air conditioner owners tend to live in the South. There is little regional difference for the affluent.

About 40% of NA-L and 54% of NA-U families have some kind of credit card, most commonly from a department store or a gasoline company.* This compares to 67-84% for affluent groups. A 1967 study indicates that the poor are only slightly more likely to default than to have credit, but the nonaffluent ($4-8,000) are 54% of the defaulters, compared to 43% of the credit-users, in the sample surveyed.** More recent national data show nonaffluents accounting for a third of families with installment debt and 29% of those without. The commonest amount outstanding was $1-2,000 for the NA-L (13%) or less than $200 (12%); for the NA-U, $2,000 or more (17%--nearly identical to the affluent.)***

This same source shows only 54-57% of NA families having savings accounts. Among those who do, 30% of NA-L and 23% of NA-U families have $5,000 or more in savings, somewhat less than 30% having less than $500. The former appear to be usually elderly. Ownership of stocks, bonds, or mutual fund shares was limited to 18% of the NA-L and 12% of the NA-U, compared to 24% of LA and 68% of UA families.

7. Social Life

Among the nonaffluent, an eighth never attend church, a third attend less than once a month, a fifth attend at least once a week. These percentages vary little by income group, nor does the distribution of Protestants and Catholics, which is about seven of the former to three of the latter. About five percent of the middle and upper affluent groups are Jewish, and the UA and P (9% each) are most likely to claim no religion.

Among Protestant denominations, Baptists have a plurality (NA=33%) except for upper affluents, who are more often Methodist. The only other denominations accounting for 10% or more of nonaffluents are the Methodists (22%) and Lutherans (12%). Nonaffluents, and especially the poor, are more likely than affluents to belong to small Protestant sects.

More than seven out of ten nonaffluents belong to an organized group other than a church, compared to nearly nine out of ten upper affluents. These groups, for nonaffluents, are most likely to be church social groups (41%), labor unions (20%), sports groups (15%), school service groups (12%), veterans groups (11%), hobby or garden clubs (11%), and professional or academic societies (10%).

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*U.S. Statistical Abstract, 1974, p. 397.

**Four-city study, David Caplovitz, Consumers in Trouble: A study of Debtors in Default, 1974, p. 20.

***Lewis Mandell, et.al., Surveys of Consumers: 1971-2, University of Michigan, 1973, pp. 7-8, 65-66.

The following table illustrates the extremes of informal social life for nonaffluents, compared to other income groups:

Table 9

% OF INCOME GROUPS HAVING SOCIAL EVENINGS AT LEAST ONCE A WEEK

		P	NA	LA	MA	UA
WITH:	Relatives	45%	38%	38%	37%	29%
	Neighbors	26	29	32	32	22
	Others	21	23	26	20	22

% OF INCOME GROUPS NEVER HAVING SOCIAL EVENINGS

		P	NA	LA	MA	UA
WITH:	Relatives	7%	2%	2%	4%	2%
	Neighbors	38	27	20	16	15
	Others	25	9	6	3	4

The range in percent who visit relatives frequently is interesting, as is the uniformity for the three middle income groups, and the surprising numbers of the lower groups who have no social relationships with neighbors.

A detailed survey breakdown of nonaffluents shows that over half of the near-poor and a third of the near-affluent had not eaten at a restaurant in the previous year. Another survey shows that 62% of lower nonaffluents name "watching television" as their favorite way to spend an evening, compared to 51-54% of the poor and falling percentages (47-35%) for upper nonaffluents and the affluent groups. An older survey (1969) indicated that 61 and 50% of nonaffluents "never" read a whole book, while 24 and 32% had read one in the previous month. Among the affluent, 36% had read a whole book during the month; 46% claimed "never" to have done so.

8. Marriage and Childbearing

A third of nonaffluents, compared to a quarter of upper affluents, regard premarital sex as "always wrong"; another third consider it not wrong at all. (Age is a major factor here: among both poor and nonpoor, a majority of adults under thirty and less than a fifth of those over fifty say "not wrong at all.") Four-fifths of nonaffluents favor making birth control information available to teenagers, compared to three-fifths of the poor. More than two-fifths favor permitting abortion where the pregnant woman is single and doesn't want to marry.*

For every 1,000 NA-L white women who married between 1965 and 1969, there were 74 premarital births; the figure for comparable black women is a startling 481, and it is even higher for the upper-nonaffluent black women married during that period--543, compared to 58 for their white counterparts. Looking at women married earlier, generally the white rates have been rising and the black rates falling. The rates tend to be highest in nonmetropolitan areas, and UA women ($25,000+) tend to have had more premarital births than the less affluent; for those married in the late sixties, their rate (100) was comparable to that for the poor (101) among whites.

The rate of births in the first year of marriage varies inversely with income. While it has been dropping, it remained well above 1930's levels for both nonaffluent groups married in the late Sixties, being 428 and 392 for the lower and upper NA groups respectively, compared to 175 for UA (the latter an extraordinary drop from 344 for those married in the 1960-1964 period, and lower than for those married in the Depression). For every 1,000 NA-L black women married between 1965 and 1969 there were 1,038 births in the first year of marriage; for upper-nonaffluents, 933. For the first time, the rate was lower for the low-income black wives: 924.

Among women married between the 1930's and 1950's, the younger ones have had more children: for the white nonaffluent groups, averages of 3.3 and 3.1; for the black, 3.8. However, black women married in the Fifties who now have incomes of $15,000+ have averaged fewer children (2.3) than comparable white women (3.0).

Survey data show nonaffluent and poor women (27-28%) most likely to say they have never had children, compared to 17% for upper affluents. Reflecting large numbers of young people, nonaffluents are the most likely to have only had one child (20%) and to expect to have more (25%). About half of Americans in all income groups over $6,000 consider a two-child family ideal (a sharp increase over the past decade). The poor are most likely to favor four children: 20%, NA=13%. A third of non-affluents (sexes combined) married before age twenty, compared to 19% of upper affluents and 42% of the poor.

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*Overwhelming majorities of NA (80-87%) would permit abortion in case of rape, serious health danger to the woman or probable serious birth defects; 50% where the family can't afford another child.

9. Education

Among the NA and LA polled by NORC in 1974, 41% and 30% respectively had only a grade school education. By contrast, virtually identical percentages (64-66%) in these two income groups said that their fathers had this level of schooling. (In both cases, mothers tended to have been slightly better educated than fathers.) Looking at all income groups, the variation in educational levels is strikingly more pronounced for the respondents than for their parents. At present, in short, parents' educational attainment is a relatively poor predictor of adult children's income or education level.

Table 10 shows the educational distribution of household heads within the nonaffluent income groups, and their share of national totals. Note in the lower half of the table that NA-U are unique in that their share at every level, except for college graduates, is virtually identical to their population share.

For all groups except the poor and the UA, high school graduation is the modal level of educational attainment. However, a majority of the NA-L household heads have less education than this, compared to two-fifths of the NA-U and a third of lower affluents. Further, the NA-L majority increases--from 54% to 62%--if we look at the available data on family heads, which apply only to those ages 25 and older. The exclusion of the youngest family heads undoubtedly explains this jump, but its size is surprising, in view of the fact that elderly one-person households are also excluded from "family" data. Considering that elderly people in the $4-7,000 income range are relatively well off, it may be they are also, by and large, relatively highly educated.

What about nonaffluents' children?* These families account for thirty percent of children ages 3-17, with some concentration at the younger ages; for 29% of nursery and kindergarten pupils; for 28% of those enrolled in elementary school (and about a quarter of private elementary school students); and for 24% of high school students (including 17% of private high school attendance). At the pre-elementary level, 54-56% of nonaffluent students are boys, a percentage that falls to 50% for whites and 43% for blacks with $15,000+ family income. While only a bare majority of poor pre-elementary children are white, this proportion rises to seven-tenths for NA-L and eight-tenths for NA-U children. Nonaffluents account for 35% of 3-13 year olds (presumably mainly children under 6) who are not enrolled in school; black children of these ages are more likely than white or "Spanish" to be enrolled.

A fair number of the nonenrolled 14-17 year olds are high school graduates, the percentage rising with income and being 13-15% for

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*These data necessitate defining NA as $5-10,000 1973 income, subdivided at $7,500. Lower Affluent=$10-15,000, Upper Affluent=$15,000+.

Table 10

HOUSEHOLD HEADS: YEARS OF SCHOOL COMPLETED, 1973*

	P	NA-L	NA-U	LA	MA	UA
LESS THAN 8	28%	19%	12%	7%	5%	3%
8 YEARS	18	16	12	9	7	4
1-3 YEARS H.S.	19	19	17	16	12	7
4 YEARS H.S.	21	29	36	40	37	26
1-3 YEARS COLLEGE	8	11	13	14	17	16
4+ YEARS COLLEGE	5	7	10	14	23	44
MEDIAN YEARS COMPLETED	9.6	11.4	12.3	12.5	12.7	14.9

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% OF ALL HH. HEADS WITH:

	P	NA-L	NA-U	LA	MA	UA
LESS THAN 8	40%	24%	14%	13%	8%	2%
8 YEARS	29	22	15	18	13	3
1-3 YEARS H.S.	22	19	15	18	13	4
4 YEARS H.S.	11	14	16	23	17	6
1-3 YEARS COLLEGE	11	13	14	25	28	9
4+ YEARS COLLEGE	6	7	10	21	34	23
NO. OF HHS (MILS.)	12.3	10.7	10.2	15.8	15.4	5.4
% OF ALL HHS.	18%	15%	15%	23%	22%	8%

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*NA-L = $4-7,000; LA = $10-15,000; UA = $25,000+
(CPR, P-60, NO. 96, P. 7)

nonaffluent whites of both sexes. Among both the affluent and the poor, but not the NA, girls who are not enrolled in school are much more likely than boys to be high school graduates. Virtually none of the black male nonenrolled have graduated from high school.

The female-male ratio of high school drop-outs changes sharply with income:

	P	NA	A
White	1.46	.99	.83
Black	1.06	.67	.44
Spanish origin	2.54	4.80	.75

The excess of female drop-outs at the lower income levels is especially striking for Spanish-background families, and other data also suggest a strong, income-related difference in attitudes toward the education of girls in this ethnic group.

Somewhat surprisingly, the ratio of high school drop-outs to high school students is lower for blacks than for others within the poor and nonaffluent family groups:

	P	NA	A
White	.26	.10	.02
Black	.10	.08	.05
Spanish origin	.26	.12	.06

Two-fifths of black high school students come from low-income families and 29% from nonaffluent ones. For white students, these proportions are 8% and 21%; for students of Spanish origin, 26% and 33%. The ratio suggests that black families place a high value on education.

Discussing nonaffluent college attendance rates raises conceptual problems. Some data by family income deal with college-age dependent "children." However, if we look at all families with members ages 18-24, we find that, among nonaffluents, a majority of the males these ages are married (1.6 million vs. 1.4 million "other marital status"), and a very large majority of the females (2.5 million vs. 1.2 million). The difference in total numbers by sex is also striking. Girls ages 18-24 are much more likely than boys to be members of nonaffluent households because they are much more likely to be living in newly-wed rather than middleaged-parent-headed families. Thus, where family income is $15,000 or more, there are 2.5 million college-age males but only 1.6 million college age females (eight percent of these males are married, and 31% of the females).

If we look only at unmarried 18-24 year olds, boys are more likely than girls to be enrolled in college where family income is under $10,000, and slightly less likely if it is higher. Among the married, males are much more likely to be in college than females except in the $15,000+ income group, but both sexes have low college enrollment rates if married. However, when I combine the numbers married and unmarried by income group, these two factors--marital status and income--are shown to explain virtually the entire sex difference in college attendance. Male/female rates of attendance, calculated in this way, are: P=9/10%, NA-L=10/9%; NA-U=10/10%; LA=27/28%; UA=45/42%. Considering that, in 1972, there were 130 men to every 100 women in four-year colleges, and 143 to every 100 in two-year schools, this finding is striking.

However, irrespective of sex and marital status, smaller proportions of youth from NA than affluent families go to college. Looking at all college students in October 1973, the members of nonaffluent families were 13% of the total for whites (5% were poor) and 31% for blacks (23% were poor). However, despite the preponderance of lower incomes among black students, those with $15,000+ family income accounted for twice their share (20%) of all black students, while whites in this income range were over-represented by only 39%

Among nonaffluent students, about the same percentage as the poor (68%) were in four-year colleges, compared to 80% for MA/UA students. About 80% of all income groups' students attend public college, except for the upper affluents (71%). While there has been a slight decline since the middle-1960's in the percent of 18-24 year old college students who come from nonaffluent families, this seems to be roughly balanced by the decline in numbers of all youth of these ages who come from such families.

Unfortunately, income data are not available for the rising percentage of college students ages 25 and older. Those 25-34 now account for more than a quarter of male students and 18% of female, compared to 19 and 12% in 1965.* An additional nine percent of students, a slight majority of them women, are 35 or older. More than three-quarters of this oldest group are married and/or part-time. My guess would be that most of the older students have their tuition paid by employers or husbands, and that both of these income sources are biased to favor the relatively affluent.

Finally, it is interesting to note the occupational plans of college students:**

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*The male percentage, however, was 28% in 1955 and 23% in 1947. The female percentages for these years were 14 and 5%.

**Gallup Opinion Index, July 1974, pp. 22-3.

Table 11

OCCUPATIONAL PLANS OF COLLEGE STUDENTS

	P/NA-L*	NA-U	LA	MA/UA
Teacher	34%	29%	25%	18%
Lawyer	4	4	7	15
Business	13	9	8	13
Engineer	9	3	4	3
Social Work	10	6	8	5
Medicine	9	22	12	15
Research	6	5	11	9
Crafts	6	3	6	7
Accountant	1	6	3	3

Aside from the peculiar concentration of would-be doctors and nurses among the NA-U students, three points seem worth noting: (1) the practice of law remains an elite aspiration; (2) engineering continues its traditional function as a major means to upward economic mobility; and (3) while the same comment may be made of the teaching profession, the poor prospects for jobs in this field suggest the counseling of students from lower income families may need improvement.

10. Weltanschaaung

Two staples of survey research are personal-satisfaction and social "anomie" questions. While optimistic responses on both types rise with income, people with lower incomes consistently seem remarkably happy about their own lives considering their gloomy view of human nature and society in general: e.g., among nonaffluents, only three percent describe their marriages as "not too happy," while 78% agree with the statement: "These days a person doesn't really know who he can count on."**

Forty-three percent of nonaffluents generally find life exciting, 54% routine, and only 3% dull. More than four-fifths of nonaffluents and lower-affluents say that their present job is very or moderately satisfying, 17 and 14% expressing some or much dissatisfaction. If anything, nonaffluents are more likely than others to think that hard work is more important than luck in getting ahead: 64% do so; but 65% agree with the statement, "In spite of what some people say, the lot of the average man is getting worse, not better." On both points, the percentages for the poor are about the same, for the LA very similar. Middle and upper affluents have a little less faith in hard work, and considerably more optimistic views (53/42% agreement) on the lot of the common man.

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*P/NA-L=under $7,000; MA/UA=$15,000+.

**Interestingly, 63% even of upper affluents agree with this.

Whatever the state of the economy, nonaffluents (and, even more, the poor) tend to be fearful of the future. Two-fifths agree (UA=20%) that it's hardly fair to bring a child into the world, the way things look; 48% (UA=24%) hold that nowadays you have to live pretty much for today and let tomorrow take care of itself. However, only slightly fewer (40%) of lower and middle affluents than of nonaffluents agree with this second statement. While a majority of all groups but the poor disagree, the UA are uniquely likely to be confident of ability to affect the future.

II. Politics

Nearly half of nonaffluents call themselves Democrats (half "strong," half "weak") and another 13% are independents with Democratic leanings. Democratic preference correlates inversely with income. On a seven-point scale extending from extremely liberal to extremely conservative, a plurality of all income groups is middle-of-the-road. Twenty-three percent of nonaffluents identify with one of the three conservative labels, compared to 26% of the poor and 28-32% of the affluent groups. The nonaffluents are slightly more likely than others to call themselves liberals: 35% vs. 28-29% for the affluent and poor.

On the matter of class, 58% of nonaffluents call themselves working class, 35% middle class. Even among middle and upper affluents, 41 and 20% respectively describe themselves as working class. Nonaffluents and lower affluents are the most similar in their class identification. On a four-class choice, the cumulated percentage differences for other adjacent income groups are quite high:

Between:	Poor and Nonaffluent	- 19 points
	Nonaffluent and Lower Affluent	- 9 points
	Lower and Middle Affluent	- 36 points
	Middle and Upper Affluent	- 42 points

The discrepancies among affluent groups are striking. For the lower versus middle affluents, they cannot be fully explained by occupational or education differences.

Nonaffluent whites account for slightly less than their share of white registered voters (27%) and nonaffluent blacks for slightly more than theirs (35%). In November 1972, 59% of nonaffluent white adults and 54% of blacks voted. As with infant mortality, voting varies sharply by educational level within the nonaffluent group, ranging from 46% for the least educated to 78-81% for college graduates. People of voting age in nonaffluent families comprised 32-36% of the voting age population with a high school education or less, 15% of college graduates, and 11% of those with some graduate training.

Patriotism? When asked to rank the United States on a scale of +5 to -5 (in 1974), 60-66% of all income groups selected +5. The range is much greater by education: from 69% at the grade school level to 48% of college graduates. However, only a fifth of nonaffluents would like to see their son pursue a career in politics. This percentage rises slightly with income to a top of 30%.

There is virtually no difference by income group in percentage feeling great confidence in the federal government. For nonaffluents in the midst of "Watergate," this percentage was 12% for the executive branch, 18% for the Congress, and a third for the Supreme Court, which was recovering from an earlier nadir.

Regarding government expenditures, the nonaffluents, lower-affluents, and poor share the characteristic that none of the major types of expenditure yields a majority saying we are spending too much, with the exception of foreign aid. The closest candidate is welfare outlays, with 40% of nonaffluents and 28% of the poor considering present outlays excessive. Below are the percents of nonaffluents who think we are spending too little. The affluent are similar, the poor generally show higher figures, but all groups rank their priorities in the same order:

Spending too little on:

--halting the crime rate - 65%
--improving health - 64%
--improving and protecting the environment - 60%
--problems of big cities - 52%
--improving the educational system - 51%
--improving the condition of blacks - 31%
--welfare - 23%
--military, armaments, defense - 19%

In the fall of 1974, substantial majorities, rising slightly with income, considered inflation the country's most important problem, and from 40 to 58%, falling with income, favored restoration of wage-price controls. Oddly the nonaffluent were considerably more likely than the affluent to see us heading for "another Depression," but no more likely to expect the economy to get worse in the next six months.

Consistently, majorities of Americans would like to see government-guaranteed jobs. In 1972, four-fifths of nonaffluents said they would favor a Presidential candidate who promised this reform. By contrast, only a minority favored guaranteed incomes in the past, although no poll seems to have asked this question in the last few years. In the fall of 1974, nonaffluents were--not surprisingly--less likely than the poor and more likely than the affluent to favor a surtax on incomes of $15,000 and over to support more aid for the poor and unemployed: 58% of lower nonaffluents liked this idea, and 49% of upper nonaffluents. Interestingly, only 53-55% of the poor were in favor, while the affluent affirmatives ranged from 46 down to 27%. As for whether we are spending too little on welfare, the differences by race greatly exceed those by income, education, age, or anything else. Among Americans with incomes under $6,000, 27% of whites and 59% of blacks think we are spending too little; for over-$6,000 incomes, 17 and 48%.

A majority of the nonaffluent think that society rather than the individual is more to blame for crime and lawlessness in this country. While this opinion rises slightly with income, so does the percentage saying the courts are not harsh enough, and (except for UA) the percent favoring the death penalty for murder.* The affluent have also been less likely than the nonaffluent to favor amnesty for Vietnam deserters and draft evaders. The only law enforcement issue I know of where upper affluents are more liberal than (or as liberal as) nonaffluents is marijuana legalization and related subjects. In 1971, Gallup inquired about compulsory CCC-type work camps for youth ages 16-22 who were neither in school nor held jobs. Percentage approving generally declined with income (Nonaffluent: 75, 64%) but the most striking difference was by race: 64% of whites liked the idea, and an extraordinary 86% of blacks.

Recent actions by the states notwithstanding, large majorities of all income groups favor passage of the Equal Rights amendment, with no income pattern for responses (NA=71, 80%).** Three-fifths of nonaffluents think that men and women are emotionally equally well suited to politics, 34% that men are better-suited.

Almost identical percentages of nonaffluents say they would vote for a woman (79%) or a black (80%) for President, if nominated by their party and "qualified." Among the poor, 71% would vote for a woman, only 56% percent for a black. The race question was asked of whites only.

12. Health

Percent reporting "excellent" health rises sharply with income: 18% of the poor, 28% of the nonaffluent, 47% of the upper-affluents. However, the percentages are twice as high for the nonaffluent and two and a half times as high for the poor in expressing very great or great satisfaction with their health, and only 5% of nonaffluents describe their health as poor.

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*Range on the courts=70-84%; on the death penalty, 57-72% (UA=66, NA=57%)

**Note: The national average subsequently dropped to 58% in the spring of 1975.

Nonaffluents are as likely as anyone else to be cigarette smokers, and expenditures for this purpose vary little by income. By contrast, the percent of nondrinkers correlates incredibly closely (inversely) with income: 73% for the poorest people, 34% for the most affluent. On a four-group breakdown of nonaffluents, the figures drop from 68% for the near-poor to 49% for the near-affluent. However, the poor and the NA-L are most likely than others (21 and 16% vs. 7-12%) to say that liquor has been a cause of trouble in their families.

Chronic conditions (e.g., arthritis, heart conditions, orthopedic problems) are much more common among older people, among whites compared to nonwhites, and among the poor compared to the nonaffluent and affluent at all adult age levels. In 1973, 11% of nonaffluents, compared to 6% of affluents and 23% of the poor reported chronic conditions sufficiently severe to limit major activity.* However, earlier data limited to the employed showed no difference on this attribute between nonaffluents and affluents. By contrast, respiratory and other acute medical conditions decline with age and tend to be reported more often by affluents than others (affluent women accounting for the total average difference from nonaffluents). However, the detailed breakdowns are very complicated. In particular the low rates reported for nonwhite children invite a suspicion that race and poverty-related cultural differences in the tendency to notice and report minor ills may be involved.

A breakdown by income group has the interesting effect of eliminating most race and sex differences in absenteeism from work for health reasons. On a more detailed breakdown for nonaffluent workers, absenteeism rises slightly with age. Under age 45 it is slightly more common for nonwhites (male and female); over 45, for white males. All four age/sex groups combined average 6 days absence a year, compared to 5 for affluents and 7 for the poor.

On school-loss days for children ages 6-16 (1973), the NA nonwhites lose slightly less time from school than the whites, and this tends to be true for the affluent and poor as well. Nonaffluent children lose less time than poor ones, and they lose about the same amount of time as affluent children of their race and sex. The averages for nonaffluent children are: white boys = 5 days/year, nonwhite boys = 3 days, white girls = 6 days, nonwhite girls = 4 days.

The most recent socioeconomic data on infant mortality are for 1964-66, when families in the $5-7,000 range (roughly, NA-U) showed the lowest rate of any. In the Northeast, both nonaffluent groups had lower rates than the affluent ones. While the comparisons from this study are too dated to be of great interest, one extraordinary finding, most pronounced for the nonaffluents, may be of continuing significance: that is, within income groups, the infant mortality rate per thousand live births may be twice as high for the least educated as for the most educated parents:

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*The main difference was greatest for 45-64 year olds.

Table 12

NONAFFLUENT INFANT MORTALITY BY PARENTAL EDUCATION, 1964-1966

NA-L ($3-5,000)	Rate by Father's Education	Rate by Mother's Education
8 years or less of school	30	32
8-11 years	24	25
12 years	18	18
13-15 years	18	20
16 or more years	15	--
NA-U ($5-7,000)		
8 years or less	26	32
9-11 years	23	22
12 years	16	16
13-15 years	15	10
16 or more years	13	16

13. Medical Care

Income group differences in average number of physician visits per year and percent who have seen a physician at all in the year have largely disappeared, even if we compare age and race differences within income groups. The major remaining difference is that the children of affluent families are more likely to have been to a physician at all in the previous year (88%, vs. 70% for nonaffluents and 66% for the poor). By contrast, the probability of having seen a dentist within the year is 41% for nonaffluents, 59% for affluents, and 33% for the poor and it also varies greatly by race.*

The nonaffluent are also intermediate (12%) in their likelihood of having had a short-term hospital stay in the previous twelve months, with the affluent (9%) least and the poor (14%) most likely, relationships that generally hold for age, sex, and race groups. To relate these figures to need would seem quite dubious, but the health-status data offer no serious indication that nonaffluents suffer from major unmet medical needs, although it may be that medical expenses consume an excessive proportion

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*The over-all figures for physician visits are: Nonaffluent=73%, Affluent=76%, Poor 74%, while average number of visits is 5 for nonaffluents and affluents, 6 for the poor.

Table 13

RATIO OF NONAFFLUENT TO POOR AND AFFLUENT PERCENTAGES WHO HAVE BEEN A PHYSICIAN OR DENTIST IN THE PREVIOUS 12 MONTHS, 1973

	NA:P		NA:A	
	M.D.	DENTIST	M.D.	DENTIST
Total	.99	1.24	.96	.69
Male	.97	1.23	.93	.68
Female	1.00	1.26	.96	.69
White	.99	1.24	.96	.70
Nonwhite	.99	1.17	.92	.81
Under 17 years old: total	1.06	1.23	.91	.63
White males	.99	1.11	.92	.65
Nonwhite males	1.00	1.16	.89	.78
White females	1.03	1.11	.93	.65
Nonwhite females	1.07	1.07	.90	.79
17-44 years old: total	.95	.98	.97	.77
White males	.92	.90	.97	.76
Nonwhite males	1.01	.97	.97	.85
White females	.97	1.02	.99	.79
Nonwhite females	.95	1.00	.94	.84
45-64 years old: total	1.01	1.36	.96	.68
White males	1.00	1.36	.94	.62
Nonwhite males	.92	1.38	.90	.83
White females	1.03	1.34	.95	.72
Nonwhite females	1.00	1.45	.91	.76
Ages 65 and older: total	1.01	1.50	.96	.70
White males	1.02	1.76	.96	.68
Nonwhite males	1.06	1.06	.86	.52
White females	1.03	1.43	.96	.75
Nonwhite females	.98	1.15	.87	.88

of their incomes. Also only 73-75% of nonaffluents ages 25-44 have hospital or surgical insurance, compared to 82-84% of lower affluents.

The nonaffluent and poor are more likely than the affluent to patronize a general practitioner, less likely to receive their routine medical care from an internist. Also, the poorer you are, the less likely you are to live within 15 minutes of a physician. A quarter of the poor, compared to 16-18% of the affluent and nonaffluent, are more than thirty minutes away from a doctor.

14. Elderly

A central fact of life for older Americans is an abrupt drop in income. For example, the percentage in the lower-nonaffluent range virtually doubles for white couples ages 65-72 compared to those ages 62-64, while the percent affluent is cut in half:

Table 14

PERCENT OF OLDER COUPLES IN SPECIFIED INCOME RANGES, 1972

		AGES 62-64	65-72	73+
White couples:	$10,000 and over	51%	25%	13%
	$7-10,000 (NA-U)	19	19	12
	$4-7,000 (NA-L)	17	32	38
	$3-4,000	5	11	19
	Under $3,000	8	13	18
Negro couples:	$10,000 and over	26	14	4
	$7-10,000 (NA-U)	12	11	9
	$4-7,000 (NA-L)	20	25	25
	$3-4,000	6	16	25
	Under $3,000	36	34	37

A second halving of the affluent percent occurs for those 73 and older, relative to the 65-72 group. Among both white and Negro elderly couples, about 35% of husbands have some earnings; however, this category of workers was singular in experiencing a decline in real earnings during the 'Sixties, presumably reflecting increased part-time jobs.

For single elderly people who do not live in families or institutions, the greatest change after the age-65 threshold is in the $2-4,000 income group: for white women, this jumps from 25-40% of the total, comparing ages 62-64 and 65-72. However, these figures and those in the table do not include the value of food stamps and other non-cash income or the effect of benefit improvements since 1972 in social security. (Also, couples who apply for assistance under Supplemental Security Income starting in 1974 have an income floor of $2,628, single elderly people receiving a $1,752 minimum.)[*] Using the 1972 figures, and associating $7,000+ with affluence for the unmarried elderly, and less than $2,000 with poverty, the poor outnumber the affluent (overwhelmingly for blacks and for white women), but the nonaffluent constitute a solid majority for whites. As the table shows, a majority of white couples were nonaffluent by an unadjusted definition. Overall, elderly households were a quarter of those in the $4-10,000 income group,[**] and more than a third of the lower half of the group. Nonaffluent percentages of the elderly by the unadjusted definition were as follows:

Table 15

% OF ELDERLY WHO ARE "NONAFFLUENT" BY NATIONAL CRITERIA, 1972

		White	Negro
Couples:	Ages 62-64	36%	32%
	65-72	51	36
	73+	50	34
Individuals not in families or institutions			
Men:	Ages 62-64	39	Not tabulated
	65-72	32	12
	73+	26	6
Women:	Ages 62-64	38	11
	65-72	24	5
	73+	14	3

The increase in the elderly proportion of nonaffluents between 1968 and 1973 was accompanied by a marked increase in the percent of all nonaffluent household heads who are not in the workforce: from 32 to 41% for lower-nonaffluents, from 15 to 20% for the upper group, compared to 1-3 point changes for the affluent and poor.

About two-thirds of retired single workers and half of aged couples depend on social security for half or more of their income; a third of the singles and 14% of the marrieds have virtually no other income.

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[*] These minima receive automatic cost-of-living adjustments.

[**] An increase from 20% five years earlier.

15. Gains from Government Programs

Time has not permitted a systematic review of this subject. Social security is obviously the dominant form of government transfers to nonaffluents, together with Medicare. A 1970 study indicated that the $5-10,000 income group received 26% of Medicare benefits, compared to 21% for the affluent and 54% for under-$5,000 income group. Nonaffluents as here defined received 24% of all Medicaid benefits, affluents only 9%. (Presumably, these "affluents" were very large families.) Also, medical care is "subsidized" by means of income tax deductions. Brookings calculated that nonaffluents received 31% of this benefit, affluents receiving 56%. Taking all categories together, the distribution for under-65 Americans was: P=29%, NA=26%, LA=23%, MA/UA=22%. For those 65 and older, the figures were: P=55%, NA=27%, LA=12%, MA/UA=17%.

In terms of monthly net cash income, 26% of food stamp benefits went to households with incomes over $3,600 in 1973, including 3% with incomes of $7,200+. If net income is defined to include medical, housing, and other "in-kind" income, these percentages rise to 49% and 13% respectively. The figures are similar for recipients of government food distribution.

Public housing is a small program, so, while nonpoor people account for 24% of the beneficiaries, the percent of nonaffluents living in public housing could not be more than 8/10 of one percent. However, in 1970, HUD housing subsidy programs aided 3% of nonaffluents, including 5-6% of NA-L. The NA were 47% of all aided by several programs of this kind. Of course, many nonaffluents were also assisted by income tax deductions for mortgage interest and property taxes.

E. Patterns

In studying the characteristics of income groups, one off and on becomes aware of differing patterns of progression. The most obvious patterns are monotonic. As income rises, so does average family size, average number of reported family earners, college attendance, respiratory infections, salaried managerial employment, dental visits, and the percent of people who know how to swim, favor a law to end union featherbedding, believe that UFO's are real, oppose amnesty for Vietnam War deserters, and think that colleges stress left-wing views of national issues.* Also, as income rises, many attributes decline in step: female-headed households, elderly households, agreement with gloomy statements about human nature and society and "these days," people whose father was a farmer, self-employed managerial workers, Baptists, teetotalers, people who favor busing school children, and people who oppose allowing an atheist, Communist, socialist, or homosexual to give a speech in their town.

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*On this last, in 1970, P=25%, NA=29/35%, A=34/44%.

When I say that these are monotonic relationships, I rarely mean merely the nonaffluent, affluent and poor. Often the progression includes two nonaffluent groups and usually two or three affluent ones. Especially for the attitude surveys, it would be interesting (although not practical) to find out how fine a cut it would take to introduce irregularities into some of the tidier patterns. Surely, a breakdown by $2,000 income increments would not show every group less opposed to inter-racial marriages than the one below it.*

Within monotonic patterns, other patterns occur. In the commonest one, the upper affluents (an open-ended group) and/or the poor show a much higher or lower prevalence of some attribute than the groups inbetween. For example, the poor are much more likely and the UA much less likely than others to visit relatives at least once a week, while the poor are much less and the UA much more likely than others to say they find life "exciting." On these and many other attributes, there is near identity among the income groups in the $6-20,000 income range. Other occasional clusterings within monotonic patterns are nonaffluents and lower affluents (e.g., percent whose fathers had only a grade school education) non-affluents and poor (e.g., percent who favor the death penalty for murder); and nonaffluents, lower affluents, and poor (e.g., percent who are "pretty well satisfied" with their financial situation).

Among nonmonotonic patterns, perhaps the most interesting are the few where upper affluents and poor resemble each other and differ from all other groups. This is true for the high UA/P percentage (9%) who say they have no religion, and also for the premarital birth rates of younger white married white women (P=101, UA=100).

A much more common phenomenon is seemingly random variation. Occasionally, the two nonaffluent groups will bracket the full range of survey responses, for instance, in percentages favoring the Equal Rights Amendment, or believing that life expectancy will be 100 in 1990.** However, in such cases the range is rarely statistically significant, and, for the random pattern in general, I cannot recall an instance where adjacent income groups' responses varied by more than 10-12 points. Thus I would assume that most random distributions of attributes among income groups are essentially even distributions, and there are many of these. For instance, irrespective of income, three-fifths or so of Americans rank the U.S. "+5" on a scale of -5 to +5, believe we are spending too much for foreign aid and too little for improving health, favor federally funded day-care centers for welfare families, and think that hard work is more important than luck in getting ahead.

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* Current percentages favoring a prohibitory law: P=51%, NA=40%, A = 30-24-15%.

** Range on the first is 70-82%, on the second 21-32%.

Such homogeneity is much less common for demographic characteristics, but here, as is not true in the invisible world of attitudes, irregularities tend to confirm things we already know. For this reason (and, of course, because the samples are larger) we accept small percentage differences as real even if the progression is erratic--for instance, percent of wives who work--and we believe in statistical clusters even if a few points difference here and there would make our statements about them invalid--for instance, that high school graduation is now the modal level of educational attainment for all income groups from $4-7,000 through $15-25,000, and that the modal occupational group is craftsman-foreman for family heads in all groups from $7,000 through $25,000.

Finally, there are intra-group patterns, and it is a great frustration that so little reliable data exists to enlighten us on these. Despite the frequency of monotonic progressions among income groups, the limited evidence suggests that intra-group variation by education, age, race and other attributes is often as great as or greater than the full range of income group variations. As I have several times mentioned, infant mortality within the nonaffluent group varies by a factor of two depending on parents' education, and probability of voting was shown in one recent election to vary from 46% to 81% for nonaffluents, depending on educational level. NORC data for incomes over and under $6,000, while of limited statistical reliability for the lower income group, show immense variation by some personal characteristics on some questions, and unexpectedly little on others. To reprise one illustrative glimpse, I repeat here on the following page the table showing variation by education, poor and nonpoor, on a number of questions.

F. Commentary and Recommendations

The nonaffluent are Americans who, while not very poor, are not so well off as the average. This, at least, is the logic of the income statistics, yet in the spring of 1974 25% of the people in households with $6-10,000* income said they were pretty well satisfied with their financial situation, while 70% judged themselves to have average or above average income. At the same time, among people with incomes $20,000 and over, a tenth said they were not at all satisfied with their financial situation, and 35% considered their incomes to be average or below.

The data previously summarized show that income does not correlate very well with socioeconomic class. One reason for this is rooted in

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*Comparable to the percent for the poor and the lower-affluent.

Table 16

SOME EDUCATION/INCOME CORRELATES

NOTE: Under the two income headings, the three numerals designate the educational levels - 1. grade school, 2. high school, 3. college graduate. Data on the very small numbers of respondents with "some college" are ommitted. Questions marked with an asterisk are explained more fully in the notes following the table. All data are from the National Opinion Research Center's survey responses for Spring 1974.

UNDER $6,000 INCOME			QUESTION	OVER $6,000 INCOME		
1.	2.	3.		1.	2.	3.
49%	20%	14%	Father a farmer	27%	17%	17%
51	29	7	Married before age 20	35	32	7
50	38	28	Ever rec'd welfare, unemployment, etc.	35	30	15
12	38	56	Is 20-29 years old	10	30	32
56	26	28	Is age 60 or older	27	9	8
24	13	12	Is black	13	8	4
73/19	58/30	60/16	Protestant/Catholic	68/25	62/29	59/23
7	13	16	No religion	5	5	9
48	35	27	Baptist % of Protestants	38	29	20
27	13	12	"Strong" Democrat	24	14	9
6	8	16	"Strong" Republican	7	6	10
34	52	78	*Work priority: accomplishment	38	56	74
44	27	13	Stop work if adequate other income	43	39	19
41	41	39	Very satisfied with job	40	51	56
11	27	36	Describes health as excellent	27	42	49
27	43	56	Finds life "exciting"	40	45	64
46	30	24	Next to health, money most important	40	23	9
65	45	48	*Live for today	51	37	24
73	57	40	Average man's lot getting worse	68	57	36
56	36	8	*Hardly fair to bring kid into world	51	30	11
71	53	40	Never go to bar or tavern	58	42	45
61	30	16	*Women should stay home	49	23	12
55	74	84	Pro birth control info. for teens	77	86	90
55	80	88	Pro sex education in public schools	73	87	96
29	33	58	Divorce should be easier to get	30	31	37
30	39	72	*Pro abortion if m. & not want child	40	47	62
37	48	64	*Pro abortion if low income	49	57	66
85	66	36	Homosexuality "always wrong"	76	65	47
4	13	44	Homosexuality "not wrong at all"	10	13	22
58	30	0	Pro prayer in school being compulsory	40	24	9
34	57	88	Pro letting atheist give speech	47	74	87
20	38	60	Pro let atheist teach at university	31	49	67
66	38	12	Pro remove atheist's book from library	50	28	13
13	12	24	Ever picked up by police	12	9	7
55	50	44	Great deal of conf. in ed. leaders	55	46	38
26	13	4	--in organized labor leaders	24	18	5
31	47	72	--in leaders of sci. community	36	52	61
37	50	60	We are spending too little on ed.	50	53	58
12	10	4	--spending too much on ed.	10	7	7
4	6	20	We're spending too little on space expl.	5	9	12
72	62	32	--spending too much on space expl.	71	56	48
59	60	50	*Send kids to over-½ Negro school	49	45	47
61	33	5	Pro law against Negro-white marriage	51	24	9
9	9	12	Is union member	30	18	10

*1. What is most important about a job (compared to income, security, etc.) is that it gives a feeling of accomplishment.
2. Nowadays you have to live pretty much for today, and let tomorrow take care of itself.
3. It's hardly fair to bring a child into the world, the way things look for the future.
4. Women should take care of running their homes and leave running the country to men.
5. Favor legalized abortion if the woman is married and doesn't want another child.
6. Favor legalized abortion if the family is poor and can't afford another child.
7. Have no objection to sending one's children to a school that is more than half Negro (asked only of whites).

age demographics: we are a society of young families who expect higher incomes for themselves in the future. More important is the protracted prosperity since World War II. In terms of 1972 purchasing power, the number of "lower affluent" families increased by 335% between 1952 and 1972, the number of "middle affluent" families by 155%, the number of families with income equivalent to $25,000 or more in 1972 by 622%. In 1947, 85% of American families had less purchasing power than a 1972 income of $10,000 provided; in 1972, a minority had incomes this low. Inflation also confuses our sense of what income level means. Ten thousand dollars seems a real number, but a comparable value in 1952 was about $6,400.

But, however one looks at it, the nonaffluents are a dwindling group. During a period when the number of American families rose from 41 million to 54.4 million, the numbers of families with nonaffluent income, by 1972 standards, dropped from 21.8 million to 17.3 million: that is, from 53% to 32% of the total. Does this mean that we should see this income group as a backwash population, the left-behinds? Some data invite this interpretation. In 1972 only 14% of family heads who were salaried managers and administrators had what we think of as nonaffluent incomes; twenty years earlier, a majority were in this income range. During the 1960's, the proportion of heads of husband-wife families who were in professional, technical, and managerial jobs jumped by 46%, but this was primarily a means by which people moved out of the nonaffluent ranks. In 1952, only 27% of wives were employed. Twenty years later it was fifty percent, and it was approaching sixty percent for the wives of men whose earnings alone would have meant a nonaffluent family income. Wives have raised many such families out of the nonaffluent ranks; looking at the distribution of wife's earnings, by husband's earnings, I would guess over twenty-five percent. Also, working wives' husbands' earnings rose faster, on average, in the 1960's than the earnings of husbands whose wives stayed home. Whatever this symptomatizes, it reinforces the hazy intuition that husband-wife families with nonaffluent income are somehow different, somehow backward, somehow disabled.

Further, just as we can speak of poor neighborhoods, or slums, we can speak of nonaffluent neighborhoods, or gray areas. Purchasing power has a good deal to do with where people live. Older urban and suburban neighborhoods are predominantly populated by people who don't have much money. While many such neighborhoods are visually pleasant places, with big trees and houses that have acquired individuality with age, they are also places with disproportionate numbers of leaky roofs, temperamental plumbing, poor insulation, rusty rainpipes, dry rot and the like. They include many elderly people whose fortunes have declined along with their neighborhoods, and many large families. The families in gray areas typically have much more or much less space than they need, and they are financially (the elderly also physically) unable to meet the maintenance requirements of older homes. Ironically, the young couples who would have the energy and ability to fix up old neighborhoods are virtually excluded from such areas except as renters, because the high down payments and closing costs are prohibitive.

Also, the process of slow and gentle decay of nonaffluent neighborhoods is not often allowed to proceed over decades in a dynamic society. Politics and economics cut old neighborhoods in half with superhighways: the corner grocery is suddenly, for all practical purposes, several miles away. Some homes are demolished and high-rise apartments cast their cold shadow on the rest. The first blacks move in, and the "block-busting" realtors appear. The bus company changes its routes and its schedules. The distant financial overlords of the community draw new lines on their maps, and it becomes more difficult to get mortgages or insurance or home-improvement loans. More homes have absentee owners, often because the homes cannot be sold; the renters are outsiders who have loud parties or deal in drugs or drive too fast down streets where children play. Churches move to the suburbs. So do jobs. When old people die, their homes may stand vacant for years.

So there is much basis for seeing the nonaffluent as the left-behind, but also in many cases as the starting-up. Another kind of nonaffluent neighborhood is the garden apartments that began to be built after World War II to accommodate a horde of young veterans and their families. Since many young nonaffluents have parents able to lend them a few thousand dollars, they are also the dominant factor in many of the cheaper small-home developments that are new enough to be eligible for low downpayment mortgages. As renters, they are conspicuous in university towns and in towns adjacent to military installations. These young and hopeful families are a sizeable fraction of nonaffluents. In the lower half of the income range, households headed by someone 34 or younger are 30% of the total; in the upper half of the range, 38%. By contrast, only 14% of "upper affluent" household heads are this young, and 20% of the poor.

But there is yet a third important group of nonaffluents. These are the people who have escaped from poverty. In some cases, this is an abstract kind of escape. One would be hard-put to name a category of Americans for which the percentage poor has not declined since World War II, whether or not the percentage affluent has increased. This means that a certain number of Americans, many of whom were not even born in 1945, have "escaped poverty" because they belong to categories where the probability of being poor has dropped and the probability of being nonaffluent has relatively risen. Looking at all families' incomes over twenty years, for instance, we see that the low-income percent (in constant dollars) has declined by 60%, while the nonaffluent percent has only declined by a third. While the nonaffluent have experienced a net loss relative to the affluent, they have experienced a net gain in relation to the poor. For nearly any type of American one can think of, there has been a big jump in the chances of being nonaffluent compared to the chances of being poor.

However, the experience of escaping poverty has also occurred for many individuals. If one way to look at the nonaffluent elderly is as left-behinds, another way is to note the estimate that the 1972 Social

Security Amendments reduced poverty among the elderly by two million people. While some of these people had just reached retirement age, the large majority who had retired earlier experienced an increase in real income. That this increase moved many above an arbitrary poverty line doubtless interested them not at all, but many moved well above that line. A $4,000 household income in 1972 was considerably higher than the government's $3,443 lower budget estimate for an elderly couple, and this estimate was itself above the poverty line for an elderly couple, not to mention an elderly person living alone. But if we look at the $4-7,000 household income group, we still find that elderly households are a larger percent of this income group in 1972 than in 1968--and that they are a smaller percent of the under-$4,000 group. A third of lower-nonaffluent households are now headed by someone age 65 or older, and a quarter of all households with incomes (1973) in the $4-10,000 range. Often these people are not merely better off than "people like that" a few years back but compared to themselves a few years back, and the addition of a cost-of living escalator to social security benefits assures that their gains will not be lost to rising prices (although many elderly people are fearful from ignorance of how this works).

A second large category that includes many people who personally experience nonaffluence as escape from poverty is blacks. Among whites, the percentage poor and the percentage nonaffluent dropped over every five year period from 1947 to 1972. For blacks, the percentage poor dropped in every period, but the percentage nonaffluent rose except in the most recent interval (1967-72) when its 11% decline was similar to that for whites. Blacks enjoyed economic progress relative to whites--a third of black families are now affluent compared to a twentieth in 1947--but economic progress most commonly meant escape from poverty, and, considering that a third of black families still have low incomes, the continuing importance of this achievement should not be down valued.

Nonaffluence as personal progress has also been the experience of large numbers of Southerners, white as well as black. While outmigration of the poor and inmigration of the affluent explain some of the percentage decline of poverty in the South, it remains that the South is the only region of the country where the bottom two-fifths of families have increased their share of regional income since World War II. The share is still lower than elsewhere, but the association of nonaffluence with personal economic progress, rather than with bad luck or inadequacy, is a common southern perception.

Finally, migration has continued to improve economic status even for people who do not achieve affluence. Again, there are many blacks in this group, although many more whites. However, for both, an increase in income of several thousand dollars tends to mean less than a comparable gain for those who stay put. This is obviously true if the new location has a much higher cost of living than the old, but it is also true for the relatively new versus the relatively old resident in any area. Often there is more variation in prices and rents within a city or even a neighborhood than between cities or regions. The new resident makes many mistakes--buying or leasing exorbitant housing, shopping at high mark-up stores, locking himself into installment contracts for shoddy goods--that the long-time resident does not. As the last-hired, he is vulnerable to being first-fired in recessions. His children are more likely to do poorly in school, or to be put back. Further, if the move has been from a poor to a wealthy area, the feeling of having moved from poverty to something better may quickly be eclipsed by the feeling of being--relatively--poorer than ever.

Certainly, this is not always the case even where the real-income gains are small or nonexistent. The new place, compared to the old, may seem full of vitality, diversion, and promise. The new housing, if smaller and more costly, may still be much nicer than the old. The neighbors may be more congenial, the public services better. Nonetheless, the migrant (like the seventy year old) illustrates the dilemma of whether the glass should be viewed as half-full or half-empty.

People compare their situation to what it was at various times and places in the past. They compare it to their parents' situation. They compare it to their neighbors'. It is these comparisons that lead 35% of upper affluents to say they have average or below-average incomes, and 70% of nonaffluents and 46% of the poor to describe their incomes as average or above. It is not merely poverty that is relative to time and place but perceived economic status in general. So far as national policy is concerned, this relativity suggests that income is a poor determinant of need above whatever line the society chooses to designate a socially acceptable standard of living for a family of given size. Below this line, national policy may reasonably assume the position that raising incomes toward the national standard is the fundamental social goal. I mean by this that the goal is legitimate even for areas where many people with "poverty" incomes do not think of themselves as poor.

But just as a national line cannot be set low enough to avoid such cases, neither can it be set high enough to cover the opposite kind. For example, a recent series of local newspaper articles on the plight of the elderly in Westchester County, New York, cited cases of unquestionable hardship, but the incomes mentioned were far above a poverty line which assumes housing costs perhaps a third of what these couples were paying.

While these newspaper articles treated the plight of some of Westchester's elderly as a blot on the national conscience, this view surely must be rejected. There is no way of funding, nationally, an adequate floor under income for the elderly in Westchester County that would not constitute grossly unethical use of the federal income tax or prohibitive levels of social security tax. Indeed, even those federal programs that allow for local differences by matching state or local funds are ethically suspect from a national perspective because federal taxes from poorer areas tend to aid the poor in wealthier ones. At the extreme, New York State, with seven and a half percent of the nation's poor, received 21% of the national funds for Medicaid in FY1974, and as high as 27% in other years.

But matching funds formulas at least allow some flexibility in determining whether, or to what extent, exceptional needs deriving from a person's or family's physical location should be viewed as the costs of a personal choice or--alternatively--as costs that the state, city, or county should help to meet. For people above a nationally defined poverty line, one might improve cost-sharing formulas but it is difficult to imagine dispensing with them entirely unless national social policy objectives are to be limited entirely to the "officially" poor and to the enforcement of national laws. However, as I have just discussed, location is not the only major difference among nonaffluent people of identical income and family size. Age is itself important: the young couple, the middle-aged childless couple, the elderly couple whose children are grown. The relation of present income to income several years ago is very important; so is one's expectation of income a decade hence. The recent-migrant family may have a much harder time making ends meet than the long-time resident. The young family who are barred from buying an older home by lack of savings may have the same income as the middle-aged couple who can't sell it. One family will ride the bus in order to send its children to college. For another family, an identical income will depend on having two earners, which in turn absolutely depends on having two cars.

In short, the point about nonaffluence, as a generality of concern to public policy, is less properly viewed as relative inadequacy than as relative inflexibility of income. This is what the nonaffluent share that makes them different from the affluent: the impact of whatever reduces this year's income to (say) a thousand dollars less than last year's, or increases this year's expenses by five hundred more than this year's income. When a wife quits her $3,000 sales-clerk job to have a baby, it obviously makes an enormous difference whether her husband earns six thousand dollars or twelve. Similarly for the costs of moving, of care for a disabled person, of structural repairs to one's home, of soaring property taxes, of a one-time assessment for sewers, of putting children through college, of major orthodontic work, or of replacing a banged-up car that the insurance company says has a book value of a hundred bucks.

Temporarily and sometimes permanently, families far above the poverty line find that the combination of exceptional expenses and relatively fixed ones leaves them less for food and clothing and postponable medical and dental care than the government's allegedly rock-bottom "economy budget" allows. These invisible poor are not only ignored by national social policy today; also, it is quite possible that more of them would be harmed than helped by large additional federal expenditures for comprehensive health insurance or a "negative income tax." Comprehensive health insurance would be something like swatting mosquitoes with a sieve--many exceptional expenses are nonmedical--or a sledgehammer--many medical expenses are not exceptional. As for a negative income tax, for obvious reasons no one proposes that its payments should be sensitive to most kinds of extraordinary expense. The problems of determination would be staggering, and the possibilities for fraud unlimited.

The logic and social morality which say that an affluent society can do more to aid the poor also say that it can do more to aid the nonaffluent, but the next step in logic requires us to recognize that in aiding the nonaffluent we are nearly starting from scratch. If poverty policy is outgrowing the need or desirability for a primary emphasis on categories of the needy and their needs, the same can hardly be said for "nonaffluence policy." With the exception of some small "moderate income" housing programs, I know of no categorical programs for nonaffluents. Where nonaffluents benefit from existing programs it is because they are "near-poor" enough to obtain some gains from poverty programs, or because benefits accrue to all without income limits. And these are the two types of reforms most commonly discussed for the future: We will raise the eligibility line for income supplements; we will make health care "free" to all, in the sense that public education and tollfree superhighways are free.

I suggest that before we progress too far along these routes we consider the possibility that a mix of universal programs and expanded poverty programs may seriously shortchange the needs of the lower stratum of federal taxpayers; in particular, the needs associated with budget inflexibility.

What programs might remedy this lack? First of all, in the area of housing, programs to facilitate home ownership for the young, home sale at reasonable prices for the old, and the preservation of older urban and suburban neighborhoods.* There are many reasons why people don't buy older homes, but three important ones are inability to meet high downpayments, poor or unfashionable local schools, and expectation of wanting to sell the house in a few years. If young nonaffluent couples were eligible for downpayment subsidies or low/no interest downpayment loans in selected older neighborhoods, this would reduce their anxieties about resale problems and defer their concern about schools until their children were school-age (at least). A class of nonaffluents that is known to have trouble maintaining their homes would be supplanted by a class that is known to be highly motivated and able.

Second, in education, an important need is counseling. By virtue of family contacts, the children of the affluent have superior information on the job market. Nonaffluents' children are not only less likely to go to college; they are more likely to get lost in the shuffle if they do go, ending up in jobs that were formerly held by high school graduates or vocations such as teaching for which there is lessened demand. Adult nonaffluents also need better education and information in order to reduce the hazards that beset an inflexible budget. A government-sponsored version of the "Welcome Wagon" could prevent many of the costly mistakes nonaffluent newcomers make before they learn the lay of the land. Such a service would probably also show up a need for legal aid or advice. If the latter were free or subsidized, proof of income eligibility would be necessary, but the basic information service could be targeted on nonaffluent neighborhoods rather than "qualified" individuals.

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*This category is rapidly coming to include many of the "ticky-tacky" housing developments built after World War II.

Because of limited mobility, the elderly have special information needs that can best be met by public-service "spots" on television and radio. These should publicize available services. Also, in an unsettled economy, they could play an important role in alleviating anxieties. For example, how many social security pensioners understand that their cost-of living adjustments are based on a formula that represents a realistic mix of household outlays? The common assumption, I'd guess, is that distant computers and bureaucrats don't know what has happened to the price of rice and beans.

As a pilot program, the federal government might also fund information-advice-referral offices in storefronts (library basements, schools, etc.) in selected nonaffluent neighborhoods, perhaps as extensions of existing Community Action Agencies, where these have general public acceptance. The intention initially would be as much to gather information about the problems of such neighborhoods and their residents as to disseminate it, and there should be adequate funding and appropriate staffing and procedures for this research activity.

Third, with respect to health care, the primary target should be children, for a somewhat extraneous reason. It remains true that most women drop out of the work force for a number of years following the birth of the first child. What this means for family income is suggested by the disproportionate number of one-earner families in the nonaffluent income range. While many of these nonaffluent one-earner families are older people, special problems arise for the young ones where there is a sudden cutback from two paychecks to one, accompanied by a sharp rise in expenses when the baby is born. Generally speaking, the government does not assist the growing young family except by reducing its income tax liability. Maternal and child care services and homemaker services are either unabailable or carry the stigma of "welfare."

Pediatric bills are unquestionably a burden that causes many young parents to neglect their own needs and postpones the acquisition of sufficient savings to purchase a home or to safeguard against exceptional expenses. Also, pediatrics (with obstetrics) is the area of medicine where an increased infusion of government money is least likely, at present, to produce an inflationary spiral, because the birth rate decline has created "surplus plant." While some pediatricians have shifted their specialty to adolescent medicine, this, too, now faces a drought. The situation, in short, seems propitious for Congress to institute comprehensive health insurance for children.

Apart from better coverage of "catastrophic" illness, this appears the most desirable innovation for nonaffluents, but the cost-fears that, to date, have obstructed any Congressional action invite further inquiry. First, it may be that most of the gains realizable from "free" health care for children would be realized by a program limited to children under six. Second, the idea that only a universal program can avoid stigma to the recipients deserves reappraisal. No shame attaches to living in government-sponsored moderate-income apartment houses. Quite possibly, no one would be ashamed to participate in a government health insurance program with a family income cut-off of $12,000. If any were deterred, it would be those near the cut-off point, who least need the help. While some of the problems associated with Medicare and Medicaid would be present in any system that included only part of the public (for instance, physicians refusing to treat these patients), a ceiling of $12,000--or $15,000--and initial restriction of the program to children or to children under 6 would limit the potential for "provider"-side abuses by the number and also the character of the persons involved: that is, (usually) two relatively well-educated parents for every two or fewer patients.

If this worked out, a logical next step would be extended coverage, retaining the income ceiling. Lower nonaffluents are not only usually ineligible for Medicaid; they also are somewhat less likely than others to be insured, or well-insured, where they work. A bizarre characteristic of employer-funded health insurance is that, except where unions are strong, it most benefits those who least need it, so far as ability to pay is concerned.

A major area of medicine where income-correlated differences in utilization seem to connote differing health status is dental care; here utilization rates differ greatly by income and by age within income groups in a pattern which suggests that among the nonaffluent (and even more the poor) neglect of children's teeth results in wholesale extractions in early middle age, thereby "solving" the problem so that little dental care in old age is needed. For a society that blathers endlessly about the importance of "preventive health care," our tendency to exclude dental care from health insurance coverage seems rather odd, despite the costliness of such care and the exceptional potential for provider abuse. It seems possible that both pediatric and dental care for children could be funded on a "capitation" rather than a reimbursement basis. Certainly for dental care it might make more sense to experiment with such an annual pre-patient payment as a means to curb unnecessary treatment, rather than not to offer the service at all.

However, extended coverage need not have the goal of comprehensive coverage. To me, the idea that government should fund routine medical care--i.e., budgetable care--for nonpoor adults seems a ludicrous shuffling of dollars in the absence of commanding cultural reasons. I see no reason why nonelderly, nondisabled, nonaffluent adults need this type of assistance, and I strongly question that inferior treatment of the poor would be remedied at all by extending government-reimbursement to the nonpoor. The result could be even fewer physicians willing to work in poor areas.

In any case, to the extent that comprehensive health insurance preempted funds otherwise potentially available for innovative health and welfare programs, the nonaffluent might lose more than they gained from this reform. Of course, what is preempted is really attention, not money. If we decided it was time to give the nonaffluent a decent return for their federal taxes, I suspect we would discover that a great many people could be significantly aided at small cost by programs targeted on specific needs (e.g., home repair loans, local comparison-shopping information).

Of course, programs designed for nonaffluents and nonaffluent neighborhoods would have or acquire some of the defects attributed to the poverty war. They would serve "categorical" needs and, as with the poverty war, the categorizations might tend to multiply as experience bred a more sophisticated understanding of the clientele. They would often only be available on a limited basis to the theoretically eligible population--i.e., some would linger indefinitely at a pilot or demonstration project state, and others which proved popular would (on precedent) still be perennially underfunded. But because these programs were, in the main, intended to reduce the uncertainties of life on a tight budget rather than to act as "change agents," they would not be so vulnerable to charges that they did not produce "results" or that they produced the wrong kinds of results. Also, if they met real needs--and real feelings of neglect--they would acquire a significant political base.

Because of the present duality of our social policy perspective--programs for the poor (enlargeable horizontally or vertically) and programs for everyone--when we notice the nonaffluent at all it is primarily as they react to or impede the realization of traditional federal social policy aims. We note racism and superstition; we note the resurgence of ethnic identity in relation to race issues; we note illiberal beliefs and acts in Bill-of-Rights areas.

But these caricatures are suspect. Nonaffluents are, if anything, less likely than affluents to oppose "busing" school children, although a majority do so. Nonaffluent whites appear to be slightly less likely than affluent ones to object to sending their children to schools that are more than half black. They are less likely to approve of the death penalty, or of wire-tapping; less likely to think we are spending too much on welfare, or that the courts "are not harsh enough." And less likely to think that UFO's are "real"! In the many contrary cases, relating especially to freedom of expression, sexual behavior, and miscegenation, where nonaffluents clearly hold less liberal views than affluents, there is often reason to suspect that an excess proportion of elderly people rather than income (or education apart from age) is the single most important factor. Finally, to paraphrase what is said of blacks and poverty, most nonaffluents are not ethnics or hard-hats, and most hard-hats and ethnics are not nonaffluent. Nonaffluents' commonest ancestry is German, followed by English, Protestant.

The ignorance that breeds distortive caricatures seems to me painfully evident in the literature that purports to describe those who are neither affluent nor poor. While it might be said that we need to remedy this ignorance before we can start making social policy intelligently responsive to the needs (and the "rights," as we conventionally use the term) of the nonaffluent third of the nation, this was not the sequence of the war on poverty. We learned as we went, and that was the only way to learn: research, as preliminary to action is notoriously a substitute for action.

But this does not recommend a "war." If our cut-off for nonaffluence is median income, we cannot launch a war with the expectation of reducing nonaffluence by so much as a single person (unless we increase poverty). There will always be a lower half of the income distribution, and the main means to income improvement for the nonaffluents in this half will probably always be general economic growth: that is, there are too many nonaffluents for any imaginable program of income redistribution to provide major relief from tight-budget hazards.

The appropriate role for social policy is not to upgrade an income group but to identify these hazards, devise means to reduce them, and explore low-cost, high-leverage means for improving the physical setting and other components of the quality of life. These aims gain additional importance if our economy experiences protracted or repeated periods of stagnation or decline. In this case, the ability to live a good life with modest resources acquires special philosophical significance for the society at large. But exigency ought not to be the determinant here.

CHAPTER IV

ATTITUDES OF AMERICANS, POOR AND NONPOOR

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> "Statistics are hardly ever more, in the social sciences, than the starting point for a hypothesis whose value will ultimately be determined by the author's intuitive talents."
>
> Anatole Broyard*

A. INTRODUCTION

This chapter is based on an attitude survey conducted in the spring of 1974 (as one of an annual series) by the National Opinion Research Center. In connection with our social policy studies program, Hudson Institute obtained a print-out of this poll, distinguishing the views of Americans with incomes under and over $6,000 by reference to a number of variables. Doris Yokelson of Hudson has analyzed these data in great detail.** My intention in this chapter is to simplify the picture by focusing on a limited number of questions that are especially relevant to social policy, and on only four of the variables: race, region, age, and education.

I am not certain that these four variables are more significant than, for example, ethnic background, occupation, and the size of the place where one lives. However, they obviously are highly significant for many attitudes, although region is generally less so than the others. Also, these breakdowns differ from some of the other interesting possibilities in that only one of the sub-samples is so small as to raise serious questions about its representative character. This group is the college-educated poor (N = 25). They resemble the much larger college-educated nonpoor group on most of their attitudes, but sometimes by exaggerated percentages which produce a probably incorrect impression of the magnitude of their differences from the high school educated poor.

While I strongly agree with Broyard's sentiment as quoted above, I shift most of the burden of interpretation from the author's to the reader's "intuitive talents." One conceptual/semantic pitfall I have tried to avoid deserves mention. To illustrate, there may be an important distinction between (1) the Southern poor being more satisfied with their work than the poor in other regions, and (2) more of the Southern poor than of others being satisfied. The latter difference is striking--half of the Southern poor, compared to a quarter of the Midwestern poor say they are "very satisfied" with their work--but it is also true that less than a fifth of the Midwestern poor, compared to a quarter of the Southern poor, say that they are dissatisfied. The statement that the Southern poor are "more satisfied" is not warranted. By contrast, when 80% of nonpoor blacks say we are spending too little on education (compared to 51% of nonpoor whites), it does seem valid to generalize about nonpoor blacks.

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*Book review, The New York Times, December 3, 1974.

**Doris Yokelson, "Public Attitudes Toward Poverty and the Characteristics of the Poor and Near-Poor" HI-2277-RR, June 1975.

I have organized my presentation of the data as follows. First, I present the national poor/nonpoor differences (or, often, similarities) on the questions I have chosen to discuss, describing these questions in much greater detail than in subsequent sections. Second, I offer the highlights on variation in response for poor and nonpoor by race, region, age, and education. Third, I shift my focus from the questions to the variables, discussing the battery of questions under the four headings of race, region, age, and education. I suspect that these sections will tell most readers more than they really want to know. For this reason, the discussion under the four headings is organized with the same subheads and order as for the section on national poor/nonpoor differences. I hope this sufficiently facilitates selective reading.

B. THE NATIONAL PICTURE: POOR AND NONPOOR

In this discussion I will refer to differences between poor and nonpoor as significant if they exceed seven percentage points.* I want first to consider how Americans view various aspects of their lives and of the larger world as it directly affects them. Since I am distinguishing income groups, the logical place to start is with money matters.

Financial Status

About 30% of both poor and nonpoor say they are "pretty well satisfied" with their present financial situation. However, if we include the "more or less satisfied," a substantial difference emerges (P = 62%, NP = 81%). Fifteen percent of the nonpoor and 55% of the poor view their income as below the national average; four percent of the poor and an improbably small 27% of the nonpoor view themselves as above average in income. Only a quarter of the poor say their financial situation has improved in the past few years, while 32% say it has gotten worse. Among the nonpoor, 45% cite improvement, and 18% deterioration.

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*Judged in isolation, the statistical reliability of the detailed breakdowns offered in later sections is poor. However, NORC asked many of the same questions of other national samples in 1972 and 1973. We have treated the relative consistency of subgroup responses from year to year as confirming the general direction or pattern of differences.

Employment

Among the nonpoor who are workers or housewives, 49% are "very satisfied" with their work, and so are 41% of the poor. About 63% of both employed groups say they would go on working even if they had a comfortable income for life without working; a similar percentage believe that hard work is more important than luck in getting ahead. However, the poor are somewhat more likely than the nonpoor (34/24%) to have been unemployed and looking for work for more than a month at some time in the past ten years, and they are considerably more likely (45/29%) to have at some time received welfare, unemployment insurance, or other government aid.

When asked which of five characteristics is the most important for a job, poor and nonpoor most commonly choose a feeling of accomplishment (43/55%). On other choices, income differences are trivial. About 20% of both groups select high incomes, another 20% choosing opportunities for advancement. Only about 8% think security is most important, and a mere 5% select short hours.

Personal Satisfaction

The poor less often than the nonpoor find life exciting (34/47%), but only 10% (2% for the nonpoor) call it dull. A majority of each say their lives are "routine."

Overall, 29% of the poor, 38% of the nonpoor, call their lives "very happy." Much larger numbers, about 68% of both income groups, say their marriages are very happy. Among five aspects of their lives, the poor and nonpoor are least likely--45%--to express "very great" or "great" satisfaction* with the place where they live. The poor are much less likely than the nonpoor to be highly satisfied with their health (47/66%), and they are somewhat less satisfied with their leisure activities (47/57%) and their family life (69/80%). About 70% of both groups find their friendships highly satisfying.

Anomie

A staple of attitude surveys is "anomie" questions. On these questions, the poor consistently show higher rates of agreement than the nonpoor with statements that indicate feelings of powerlessness and pessimism about the larger context of their lives. On two of the nine questions asked by NORC, these differences were not significant: about 65% of both groups agreed that "Most public officials are not really interested in the problems of the average man"; and about 60% that "Most people don't really care what happens to the next fellow." At the opposite extreme, 57% of the poor and only 38% of the nonpoor hold that "Nowadays, a person has to live pretty much for today, and let tomorrow take care of itself." This is evidence for the familiar statement that the poor lack "future orientation."

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*Top two classifications of six.

For both poor and nonpoor, there was a low rate of agreement with the statements: "To make money, there are no right and wrong ways any more, only easy and hard ways: (27/18%); and "Next to health, money is the most important thing in life" (39/24%). By contrast, 81% of the poor and 73% of others agreed that "These days a person doesn't really know whom he can count on." The other statements in the set are: "You sometimes can't help wondering whether anything is worthwhile any more" (54/40%); "In spite of what some people say, the lot of the average man is getting worse, not better" (65/56%); and "It's hardly fair to bring a child into the world with the way things look for the future" (46/31%). This last showed the second lowest rate of agreement for the nonpoor.

Sex and the Sexes

The poor also differ markedly from the nonpoor on most questions related to sex and the sexes. As I will show later, certain subgroups skew the averages for "the poor," but I am here concerned with the overall picture. There is no difference on the view that divorce should be easier to get with 32% of both groups agreeing; or that it should be more difficult to get (about 43%). Large majorities of poor and especially nonpoor favor availability of birth control information to anyone who wants it (85/95%); smaller majorities, with a wider income gap, favor giving it to teenagers (63/84%).

Regarding legal availability of abortion, respondents were asked about six separate situations. The nonpoor showed majorities favoring legal availability for five, the exception being if the woman "is married and doesn't want any more children" (48%). The poor approved in three cases: if the woman' health is in serious danger (87%), if there is a strong chance of a serious defect in the baby (77%), and if the pregnancy is the result of rape (76%). Like the nonpoor, they gave the lowest rate of approval to a married woman who didn't want more children (36%), followed by the woman who is not married and does not want to marry the man (41/52%) and the family that has a very low income and cannot afford another child (42/56%). Poor/nonpoor differences were significant except for health danger to the mother (87/92%).

The poor are more likely than the nonpoor to assert that premarital sex, extra-marital sex, and homosexuality are "always wrong." The poor/nonpoor figures for these three opinions are, respectively, 40/28%, 79/71%, and 75/64%. The poor are also more likely to think that reading pornography leads to rape (62/46%) and to the breakdown of morality (59/50%). Given three policy options for pornography, similar percentages of poor and nonpoor (about 42%) favor a total ban; half of the nonpoor and 42% of the poor prefer a ban limited to minors; and the poor are insignificantly more likely to favor no regulation at all (12/8%).

Should women run their homes and leave running the country to men? 47% of the poor think so, 28% of the nonpoor. On the other hand, 71% of the poor and 82% of the nonpoor say they would vote for a qualified woman for President if nominated by their party. (The same percentages say this for a black.*) Only a small majority of the poor (56/73%) approve of a woman working if she has a husband to support her.

Crime and the Legal System

The poor are said to be more worried about crime than others. They are more likely than the nonpoor to say that there is some place within a mile of home where they would be afraid to walk at night (54/40%).** But they are no more likely to say that the courts are not harsh enough (72/75%), or to favor the death penalty for murderers (59/65%). The poor are less likely than the nonpoor to have a gun at home (36/51%), and equally likely to favor requiring a police permit to buy a gun (76/79%). Victimless crime or not, large majorities of poor and nonpoor oppose legalizing marijuana (83/79%).

Race Questions

The nonpoor are more likely than the poor to oppose busing children for school integration (69/80%). This question was asked of blacks as well as whites. Several questions were asked of whites only. A high percentage of poor whites would favor a law prohibiting white/black marriage (47/28%). But the white poor are significantly less likely than the white nonpoor to object to sending their children to a school that is more than half black (34/48%).

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*Asked of whites only.

**This holds for all subgroups, by race, region, age, and education.

Political Issues

Nationally, there is no difference between poor and nonpoor in the percent who call themselves liberal (29/30%) or conservative (26/29%). A plurality of both income groups call themselves middle-of-the-road. There are also about as many similarities as differences in attitudes about government spending. For simplification, I will deal only with the percent who think we are spending too little for a set of eleven purposes. Here the poor and nonpoor differ significantly on five, much the greatest difference being on welfare (33/19%). The poor are less likely than the nonpoor to think we are spending too little on improving the environment (52/62%), on aiding big cities (43/54%), on "halting the crime rate" (60/69%), and on education (43/53%).

Poor and nonpoor are similar--I average slight differences--in thinking we are spending too little on the space program (7%), on health (63%), on aiding blacks (33%), on the military (17%), on foreign aid (4%), and on fighting drug abuse (59%). The constituency for increased nondomestic policy outlays is strikingly small.

It is interesting to note that, under $15,000 income, there are no majorities thinking we are spending too much for any of the 11 purposes. On the other hand, the "too little" responses for the poor have a summed deviation from those of the nonpoor of -19. Some sub-groups of the poor differ but, as a generality, the nonpoor are the advocates of increased government spending. Indeed, if the welfare question is excluded, the deviation rises to -45.

Confidence in National Leadership

Despite their greater tendency to "anomie," the poor differ little from the nonpoor in the percent who express a great deal of confidence in the leadership of 12 American institutions. Significant variation occurs only for three, and the poor give a higher vote to two of these. The three are the press (32/24%), television (29/21%), and the scientific community (40/50%). Averaging minor differences, the others are, in descending order, medicine (60%), education (50%), organized religion (44%), the military (41%), the Supreme Court (32%), the major corporations (30%), Congress (19%), organized labor (19%), and the federal executive (15%). (Recall that the poll was taken in the midst of the Watergate crisis.)

Civil Liberties

Another set of questions deals with civil liberties questions: whether a militant atheist/Communist/homosexual/or socialist should be allowed to give a speech in one's town, teach at a university, or whether a book by such a person should be removed from the library shelves if someone objects to its presence. On all of these questions, the poor are less liberal than the nonpoor. For my comparisons, I will use the question of whether a militant atheist should be allowed to teach at a university. On this question, 50% of the nonpoor and 66% of the poor express opposition. Both percentages are lower for allowing such a person to give a talk, and lower yet for the book-removal question. Teaching is the most sensitive of the civil liberties issues, even though the university level is specified.

C. HIGHLIGHTS

In this section, I will organize the data by specific question, indicating the most important variables for each.

"Pretty well satisfied" financially: National = P 26%, NP = 32%

Among the poor, the least satisfied are blacks (17%), followed by the under-30's (20%). By far the most satisfied poor people are the elderly (48%).

Of the nonpoor, again blacks are low on satisfaction (23%) but the under-30 nonpoor are lower (21%). The aged are at the top (48%), followed by the college graduates (40%).

Financial situation has improved in last few years: P = 25% NP = 45%

There is no race difference on this one, when income is controlled. The 30-49 year old poor are least likely to cite improvement (15%), followed by the Midwestern poor (16%). No group is far above average except for the Western poor (35%).

The Western nonpoor are also at the top (52%) regionally, but exceeded by the college graduates (57%). The grade school educated are at the bottom (36%) for the nonpoor.

"Very satisfied" with work: P = 41% NP = 49%

The Midwestern (25%), black (26%), and under-30 (28%) poor are least likely to express this sentiment. The elderly (74%) and Southern (50%) poor are most above average.

The range for the nonpoor is narrow, with the over-50 age groups (57%), the college-educated (56%), and the Southerners (56%) at the top. Blacks in particular (37%), but also the grade school educated (40%) and the under-30 nonpoor (43%) score low.

Hard work is more important than luck in getting ahead: P = 63% NP = 61%

Race and education are associated with no variation in this belief for the poor. The Midwestern poor (52%) are least likely to hold this view, followed by the under-30 poor (56%). For the nonpoor, the low extreme by far is the Easterners (51%) and the blacks (54%). Greatest belief in the efficacy of hard work is registered by two poor groups: those 30-49 (73%) who, as noted above, are also the least likely of any poor group to say their own incomes have recently improved; and the Southern poor (72%). The Southerners are also high for the nonpoor (68%).

Feeling of accomplishment: P = 43% NP = 55%

Regarding this as the most important aspect of work are especially large numbers of the poor who are college-educated (78%), Easterners (56%), or high-school educated (52%). Ranking at the bottom are poor blacks (30%), with no other group more than 4 points below average.

Among the nonpoor, the top group is again the college-trained (74%), followed by Westerners (64%), with no others close. Least interested in this work value by far are the nonpoor blacks (25%), followed by the grade-school educated (38%).

High income: P = 22% NP = 17%

Blacks are most likely to consider high income the most important aspect of a job: P = 38%, NP = 37%. They are followed by the 30-49 and the Southern poor (33%). Placing lowest value on high income are the college-educated (P = 4%, NP = 5%), and the nonpoor elderly (9%).

Advancement opportunities: P = 21% NP = 17%

Least likely to consider this the most important aspect of a job are the college-educated (P = 9%, NP = 11%). Most likely are the Midwestern poor (31%). All other groups are close to average.

Would work if had comfortable income: P = 63% NP = 64%

The surprising equality on this one holds for most variables. The college-educated (P/NP = 80%) are at the top, together with the elderly nonpoor. The 50-69 year old nonpoor (56%) are the bottom group.

Life is "exciting": P = 34% NP = 47%

Among the poor, blacks are least likely to think that life is exciting (24%); most likely are the college-educated (56%), distantly followed by the under-30's (44%).

The college-educated are also at the top of the nonpoor list (64%), with the elderly, the under-30's, Westerners, and Southerners 11-14 points lower. The nonpoor who least often lead exciting lives are very close to average (Grade school = 40%, Midwesterners and 50-69's = 42%).

Personal happiness - "Very happy": P = 29% NP = 38%

No poor group is as high as the nonpoor average, but the elderly (37%) come very close. Lowest responses are by the black poor (13%) and the college-educated poor (17%). Being "very happy" correlates inversely with education for the poor. Blacks are also much the lowest for the nonpoor (21%), with no one else close. The elderly nonpoor are most likely to be very happy (52%), again with no rivals.

Satisfaction with place of residence: P = 45% NP = 46%

Marked differences emerge on the variables for this one. Poor and nonpoor, the under-30's are least satisfied (28/29%), together with the college poor (28%), the 30-49 year old poor (32%), the Eastern poor (33%), and both black groups (34/35%). Most satisfied are the elderly poor (72%), and the over-50's who are nonpoor (59-61%). The elderly are also more satisfied than others with their friendships and family life.

"Anomie" questions: (Averaged positive responses for 9 questions) P = 55%, NP = 44%

Averaging the positive responses to the anomie questions provides a crude index to the prevalence of generalized feelings of powerlessness and anxiety among various groups in the society. Generally, these feelings are stronger among the poor, but the black nonpoor are tied with the grade school poor (62%) for the second highest position, exceeded only by the black poor (66%). Also the grade school nonpoor (58%) are above the general average for the poor.

The remainder of both income groups, by category, cluster within 7 points of their respective national averages, with the conspicuous exception of the two college categories: P = 39%, NP = 27%. This deviation for those with the most education is striking. The second lowest poor troup is the high school educated (48%); the second lowest nonpoor group is the Westerners (40%). Among the nonpoor, all 9 questions show significantly less "anomie" for each educational level than for the one below it.

Divorce should be easier to get: P = 32% NP = 32%

Both black groups are far above both white ones on this sentiment (52/57% vs. 27/29%). The elderly poor are least approving (15%), followed by the 50-69 year old groups (26/22%). Most often approving are the college poor (58%), the blacks, and the under-30 poor (54%). Easterners (46/42%) more often favor easier divorce than people from other regions.

Birth control information should be available: P = 85% NP = 95% --to teenagers: P = 63% NP = 84%

On the general question, the high school and college educated poor rank well above the poor average, the elderly ranking 13 points below it. Variation for the nonpoor and for other poor groups is trivial. The same pattern holds for giving information to teenagers, except that the young (84%) and Eastern (78%) poor are especially hospitable to this.

Abortion: (Averaged positive responses on 6 questions) P = 60% NP = 70%

While poor and nonpoor blacks are significantly less likely to approve of 5 of the 6 reasons for legal abortion than their white counterparts, other differences are larger. Most favorable are the college groups (80/79%), the Western nonpoor (78%), both Eastern groups (73/74%) and the nonpoor under 30 (73%). On the low side, the black poor are matched by the Southern poor (51%), although on many questions these two groups are dissimilar. Differences on abortion appear to vary considerably less by age than by other variables, and are erratic by age for the nonpoor.

Premarital sex is always wrong: P = 40% NP = 28%

Least likely to take this position are the under 30's (12/20%), the Easterners (19/18%), and the college-educated (16/22%). Most likely are the elderly (66/51%) and the Southern poor (53%).

On extra-marital sex, the black nonpoor (51%), and the college-educated (52%) and Eastern (57%) poor are least inclined to regard it as "always wrong," while the elderly (95/87%) are more opposed than others. National averages are: P = 79%, NP = 71%.

Least likely to regard homosexuality as always wrong are the college groups (56/47%), the under-30's (52/54%), the Western nonpoor (53%), and the Easterners (56/56%). Most often opposed are the elderly poor (90%), followed by the 50-69 year old poor, Southern poor, and grade school poor (84-85%). National averages are: P = 75%, NP = 64%.

Pro total ban on pornography: P = 43% NP = 41%

Over half favor this policy option only among people over 50, where all four subgroups do so. Least favorable are the college poor (11%) and the under-30's (19/20%). Blacks (31/23%) are significantly less favorable than whites, although only slightly more favorable toward no regulation at all.

Women should run their homes and leave running the country to men: P = 47% NP = 28%

The 19 point national poor/nonpoor difference on this question is exceptional. Well below average are the college-educated (16/12%), the Western nonpoor (18%), and the under-30's (22/20%). Among the poor, the high-school educated (30%) and the blacks (33%) are also especially liberal, followed by the Eastern poor (35%). Least liberal are the elderly (67/52%) and the grade school educated (61/49%). Agreement rises regularly with age and falls with education for both income groups.

Would consider voting for a woman for President: P = 71% NP = 82%

The low votes on this one (61-65%) come from the over-50 poor groups, the Southern and grade school poor. A number of groups where four-fifths or more are favorable show no poor/nonpoor variation: the high school and college educated, the Westerners, and the under-30's. Much the largest variation by income is for blacks (67/84%).

Courts are not harsh enough: P = 72% NP = 75%

The college poor least often agree with this statement (39%), distantly followed by the under-30 poor (54%). The highest rates of agreement are shown by the poor ages 30-59 (81%), and the older nonpoor groups (79-82%). For the nonpoor, the lowest percentage is for blacks (62%), followed closely by college graduates and the young. The nonpoor range is quite narrow.

Death penalty for murder: One may conjecture that race accounts for most apparent differences by other variables on this one. Among both white income groups, 66% approve of the death penalty for murder. Among both black groups, 37% approve. Among the nonpoor, there is only 7 points variation by region, 8 points by education, and 9 by age.

Gun permits and gun ownership: This is not at all a race, age, or education issue but strongly a regional issue. Easterners show the lowest rate of gun ownership (19/30%),* and about 90% favor requiring a police permit to buy a gun. Southerners most often own guns (48/65%). Westerners (63/67%) least often favor requiring a permit, followed by Southerners.

Marijuana should not be legally available: P = 83% NP = 79%

As one might expect, the young (54/62%) and the college-educated (33/65%) are least likely to express this view. Percentages over 90% are registered by the two middle age groups among the poor, the Southern poor, and the grade school poor.

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* Unless otherwise specified, slashed percentages in the discussion represent poor/nonpoor.

Fear of walking in one's neighborhood at night: P = 54% NP = 40%

Among the poor, 49% or more of every subgroup is fearful, with little variation. Among the nonpoor, the college-educated, Midwesterners, and the 30-49 year olds are much less fearful (35-38%) than the blacks (55%).

Race Issues*

The national percentages opposing busing are: P = 69%, NP = 80%. Blacks are much less opposed than whites (40/33% vs. 76/84%), but note that the white poor are less opposed than the white nonpoor. Among the poor, the most opposed are the 50-69's (78%) and the Easterners (76%). Least opposed are the under-50, Midwestern and Western poor (62-65%). Southerners top the list for the nonpoor (85%). The college groups are not notably liberal on this issue: P = 68%, NP = 79%.

There is extraordinary income variation nationally among whites in favoring a law to prohibit black/white marriage: P = 47%, NP = 28%. The intra-variable ranges are very large: declining with education, from 61 to 5% for the poor, from 51 to 9% for the nonpoor; and rising with age from 16 to 75% for the poor, and 15 to 52% for the nonpoor. Regional variations are much smaller, with the East and West lower than the South and Midwest for both income groups.

Poor whites are less likely then the nonpoor to mind sending their children to a school that is more than half Negro: P = 34%, NP = 48%. Among the poor, the highest objection arises for the college educated (45%) and the Westerners (43%), the lowest for the 30-49's (25%) and the Midwestern whites (26%). The strongest nonpoor white objections arise in the South and among the elderly (55%), the least in the Midwest (44%). The nonpoor range is very small.

Describing oneself as liberal: P = 30% NP = 29%

Among the poor, the college educated top the range (52%), followed by under-30's (42%) and blacks (40%). At the bottom are the over-50 poor groups (21-19%). For the nonpoor, the most liberal groups are the under-30's (43%), the blacks (40%), and the college educated (39%). Regionally, the Eastern poor are somewhat more liberal than others. Liberalism drops off sharply after age 30.

Describing oneself as conservative: P = 26% NP = 29%

Least often conservative among the poor are Easterners and the under-30's (16%), followed by blacks (18%). Most often conservative are the 50-69's (35%), and the Midwestern poor (32%). The college educated nonpoor most often call themselves conservative (37%), followed by the nonpoor age groups over 30 (32-34%). The nonpoor range is very narrow.

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*Except for the busing question, these were asked of whites only.

Government spending too little on military, space, foreign aid: (Averaged responses) P = 9% NP = 9%

The range on averaged positive responses to these spending questions is only 7-15%, with college poor, Eastern poor, and over-50 nonpoor at the top, high school poor and Midwestern nonpoor at the bottom. Those most inclined to favor increased military outlays are both 50-69 groups (26%). Least favorable to increased military outlays are all under-50 age groups, the high school poor and the college nonpoor (11-12%). The college poor, Eastern poor, and college nonpoor are most favorable toward increased space outlays; least favorable are the black nonpoor. The black nonpoor and 30-49 year old poor are more favorable to foreign aid increases than anyone else.

Government spending too little on fighting crime and drug abuse: (Averaged responses) P=58% NP = 66%

Averaged positive responses show the Midwestern and high school groups at the top for the poor (67 and 64%), the college and Southern poor groups at the bottom (36 and 54%). Among the nonpoor, the most favorable are the elderly and blacks (77/74%), least favorable are Westerners and under-30's (59/61%).

Except for the small college poor group, who are 40 and 21 points lower than the high school poor on the two questions, the largest intravariable range shows the under-30 nonpoor 23 points lower than the elderly nonpoor on the crime question. On drug abuse the Western nonpoor are 13 points higher than the Midwestern and Southern in thinking the government is spending too little.

Government spending too little on environment, health, big cities, education, blacks, welfare: (Averaged responses) P = 45% NP = 47% (Omitting aid-to-blacks question: P = 46% NP = 51%)

This is the set of liberal social policy issues. Not surprisingly, very large majorities of blacks think the government is spending too little to improve the condition of blacks. Their responses exceed those for whites by 62 points for the poor, 54 for the nonpoor. Because of these huge discrepancies, nearly all subgroups other than blacks show a 2-4 rise in their "liberalism quotient" if the blacks question is omitted. The only group showing no change is the Midwestern poor (43%).

However, blacks are the most conspicuous advocates of greater social outlays by governments on the other questions, too. Relative to whites, their favoring percentages are:

Welfare: P = +32 NP = +31
Education: P = +18 NP = +29
Big cities: P = +15 NP = +22
Health: P = +19 NP = +19
Environment: P = +14 NP = +12.

On these five questions, the average response of poor blacks is 62%, of nonpoor blacks 71%. Including the aid-to-blacks question, these rise to 66% and 73%.

Among the poor, the second highest advocates of more government spending are the 30-49 year olds. While there are many blacks in this group, they apparently are not the decisive factor, since the averaged percentage rises from 57% to 59% if the aid-to-blacks question is omitted. The same is true for other high votes among the poor: the under-30's, college-educated, and Easterners (54-56%). The least attracted to higher government spending for social purposes are the over-50 poor (37 and 31%) and the grade school poor (41%).

Other than blacks, the Easterners are the most likely among the nonpoor (54%) to favor more government spending; the elderly again are lowest. For both poor and nonpoor, liberal spending views distinguish the East from other regions, the under- from the over-50's, and (in a narrower range) the college-educated from others. With the marked exception of the under-50 age groups, the nonpoor are more liberal than the poor.

Apart from the black-white differences, there are several interesting extremes of range on specific questions. The constituency for increase environmental outlays is strongly under-30, Eastern, and better educated. At the greatest, 43 points separate the under-30 poor from those 50 and older, and 44 points separate the young nonpoor from the elderly. The regional extreme is an East-to-Midwest range of 25 points for the poor, while the grade school poor are 20 points below both the other education groups.

As one might expect, age is a major variable in education expenditures, with the under-50 poor scoring 25 points higher than the elderly, and the under-50 nonpoor 17-20 points above the elderly nonpoor. However, note that these differences are smaller than the 29 points which distinguish black from white nonpoor support for more education outlays.

Other than the black-white difference, the only large range on the welfare question contrasts the 30-49 poor to those 70 and over (27 points). Next largest is a 13 point higher vote by the grade school than the high school poor. Except by race, the nonpoor are nearly homogeneous, with virtually no difference by age, but slightly higher percentages for Midwesterners and for the grade school and college educated nonpoor than for others.

The health question shows a 26 point higher response for the 30-49 year old poor than for the elderly, while the Eastern poor are 17-21 points above other regions. The nonpoor Easterners are 14 points above others. The racial difference is 19 points for both income groups.

Favoring more aid to big cities is also an under-30 characteristic, with a 28-30 point difference from the over-50 poor, and a 13-14 point difference from the over-50 nonpoor. The black nonpoor are 22 points ahead of the white; the Eastern nonpoor are 19 points ahead of the Southerners; and the black poor are 15 points above the white.

Except on the racial comparisons, variability in views on government spending is much stronger among the subgroups of the poor than among the nonpoor. This is most readily explained in terms of the concentration of two atypical groups, blacks and the elderly, among the poor. However, these factors do not provide a full explanation. There seems also to be an Eastern tendency to favor more government spending, an under-30 tendency, and a college-educated tendency, since all of these are evident for the nonpoor as well as the poor.

Confidence in National Leadership: (Average for 12 questions) P = 34% NP = 33%

Averaged percentages expressing a "great deal" of confidence in the leadership of 12 institutions range from 28% for the black nonpoor and the Eastern poor to 43% for the elderly nonpoor and 38% for the Southern poor.

There is less intra-variable range on these questions than on the too-little-spending questions. On television, the press, the Supreme Court, and Congress, no variations are very significant.

Both college groups are 20-29 points lower than the grade school and high school groups in respect for our military leadership. Also, the Eastern poor are 20 points below the Southern poor, and the under-50 nonpoor are 16-17 points below the elderly.

Respect for the scientific community is extremely high for both college groups, the nonpoor being the lower of the two at 25 points above the grade school group; also, both high school groups are 16 points above the grade school groups. Additionally, the poor under 30 are 16 points above the 30-49 year olds.

In opinion of the leadership of major companies, the over-50 nonpoor groups are 15 and 27 points higher than the under-30's, and the white nonpoor are 24 points higher than the black. The grade school groups are 19-22 points above the college groups in their confidence in the leadership of organized labor. The grade school poor are also well above the high school poor (13 points).

The under-30 nonpoor group is especially respectful of medical leadership, 20 points higher than the 50-69's, 15 points higher than the 30-49's. On education, the Southern and Midwestern groups are higher than the Eastern and Western, with the lowest confidence rating (37%) registered by the Western nonpoor and the Eastern poor, the highest (65%) by the Southern poor, with other S/MW groups at 52-55%. The two black groups are 15 and 18 points higher than their white counterparts on the education question, and the grade school nonpoor are 17 points higher than the college nonpoor.

On the leadership of organized religion, where there is no national poor/nonpoor difference (44/44%), the Southern and Midwestern poor are 19-23 points higher in confidence than the Western and Eastern. The Southern and Midwestern nonpoor are 13-15 points higher than the Western nonpoor. The elderly poor are 22 points higher than the 30-49's; the elderly nonpoor are 25-27 points higher than the under-50 groups.

In the two areas where confidence rating can be compared to advocacy of higher government spending--education and medicine--consistency is mixed. Both black groups strongly want increased outlays for education and have high confidence in educational leadership; they strongly want more health care outlays but are below average in confidence in medical leadership. The elderly groups are respectful of education leadership but don't want more spending; the college groups strongly reverse this pattern. Poor and nonpoor, Westerners take a dim view of educational leadership and of increased spending. The Easterners are positive on educational spending, negative on education's leadership. The Southern nonpoor are positive on both. The Eastern pattern is the same for medical spending and leadership as for education. The high school and 30-49 year old poor are positive on both medical questions. The grade school poor are negative on both.

Militant atheist should not be allowed to teach at a university: P = 66% NP = 50%

Racial differences are not significant on this sample civil liberties question. Opposition falls as educational level rises: from 75 to 32% for the poor, from 69 to 30% for the nonpoor. The range by age is larger because of very strong opposition by the two elderly groups (87 and 83%). However, even below age 70 opposition rises sharply with age: from 38 to 79% for the poor, from 30 to 63% for the nonpoor, with both under-30 groups markedly more liberal than the 30-49's.

Southerners and Midwesterners (who are also the most respectful of the leadership of organized religion) are much more hostile to the idea of allowing a militant atheist to teach at a university than are Easterners and Westerners. For the nonpoor, West/East opposition is 39/43%; Midwest/South is 54/56%. The range for the poor is from 50 to 77%, progressing E-W-MW-S, with differences of 8 or more points separating each region from the next.

D. ATTITUDE DIFFERENCES, POOR AND NONPOOR, BY FOUR VARIABLES

1. Race

The first variable I will tackle is race, since blacks number disproportionately among the poor and the attitudes of the growing black "middle class" are of interest. In order to facilitate reference to other sections of the discussion, I will follow a similar order to Section B.

Financial Status

Poor and nonpoor, blacks are significantly less likely than whites to say they are "pretty well satisfied" with their financial situation. The B/W figures are 17/28% for the poor, 23/33% for the nonpoor. Adding the "more or less satisfied" evaporates the interracial difference for the nonpoor (81/82%) but not for the poor (52/64%). This results in a poor/nonpoor satisfaction gap of 18 points for whites, 29 for blacks. The black poor are half again as likely as the white poor to consider their incomes below average (75/50%), and some difference exists for the nonpoor also (22/14%). Among the nonpoor, 27% of whites and 9% of blacks describe their income as above average. This is a striking understatement of the reality for both races. Virtually identical percentages of poor blacks and whites (26/25%) and of nonpoor blacks and whites (44/45%) say their financial lot has improved in the past few years; similarly for those who say they are worse off: Poor = 34/31%, Nonpoor = 14/18%.

Employment

Poor and nonpoor, black workers and housewives are much less likely than whites to say they are very satisfied with their work: Poor = 26/45%, Nonpoor = 37/50%. Note also that the intra-racial poor/nonpoor difference is significant for blacks but slight for whites. However, despite these differences, about three-fifths of poor and nonpoor of both races say they would go on working even if they had a comfortable income without work for life. Also, the black poor are significantly more likely than the black nonpoor to believe that hard work is more important than luck in getting ahead (63/54%). Whites of both income groups resemble the black poor on this question.

The black poor more often than the white have experienced extended unemployment (46/31%). The difference between the black and white nonpoor is small (29/24%), and there seems to be little difference between the two white income groups. The black/white percentages who have ever received "anything like welfare, unemployment insurance, or other aid from government agencies" are: Poor = 57/42%, Nonpoor = 33/28%.

On the question of most important job characteristic, both white groups place a feeling of accomplishment at the top, followed by advancement opportunities, high income, security and short hours. Both black groups put high income at the top,* following the same order otherwise. Poor/nonpoor differences are not significant for any choice for blacks, and only for "feeling of accomplishment" for whites (46/58%). Interracial differences are significant only for the two top choices.

Personal Satisfaction

About 48% of the nonpoor whites and blacks find life exciting, but the black poor are less likely than the white poor to do so (24/37%). A tenth of both poor groups say life is dull, compared to negligible numbers of the nonpoor.

Poor and nonpoor, whites are much more likely to say they are "very happy" than blacks: Whites = 33/40%, Blacks = 13/21%. Among the percentages who describe their marriages as very happy, the only significant difference is between the black poor (60%) and the white nonpoor (69%). The black poor are less likely than the white poor to express very great or great satisfaction with their place of residence, family life, friendships, and health; the nonpoor blacks are less satisfied with their residence, friendships, health, and leisure activities than the nonpoor whites. For both income groups, the strongest inter-racial difference is on place of residence. There is no intra-racial income difference on this one: Whites = 47%, Blacks = 34%. Looking at all the personal satisfaction questions, the cumulated poor/nonpoor differences are 112 for whites, 155 for blacks.

Anomie

On the nine "anomie" questions, six show significant poor/nonpoor variation for whites, but only four for blacks. Nonpoor blacks are more pessimistic on all nine questions than nonpoor whites. At the extreme, 92% of the former, compared to 71% of the latter, agree that "These days a person doesn't really know whom he can count on." Poor blacks are more pessimistic than poor whites on 7 questions. The greatest difference is on the statement, "Next to health, money is the most important thing in life" (57/35%). The statement that there are no right and wrong ways to make money any more, only easy and hard ways, is singular in that the black poor are less likely to agree with it than the black nonpoor (28/38%). When I cumulate the poor/nonpoor differences by race on the anomie questions, the total is 93 for whites, 61 for blacks. Since this reverses the order for the total on the personal satisfaction questions, I also cumulated the interracial differences for poor and nonpoor on both sets of questions. On the personal satisfaction questions the differences by race total 115 for the poor and 89 for the nonpoor; on the anomie questions, 117 for the poor and 169 for the nonpoor. This seems to suggest that money greatly improves personal life for blacks--more than for whites--but it does not provide comparable gains in the psychological areas probed by the anomie questions.

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*No regional, age or education sub-group does this.

Sex and the Sexes

There is no significant difference, poor/nonpoor, within race in percentage thinking divorce should be easier to get, but both black groups are much more favorable: W/B poor = 27/52%, nonpoor = 29/57%.

The national poor/nonpoor pattern on making birth control information available does not vary significantly by race. However, there are strong interracial as well as income differences on the abortion questions, blacks being much more hostile to abortion than whites. The black poor are significantly less likely than the white poor to favor legal abortion where there may be a birth defect (63/80%), where the mother's health is endangered (80/88%), where the family can't afford another child (35/44%), where the pregnancy resulted from rape (62/79%), or the woman is not married (31/44%). The nonpoor blacks favor it less frequently than the nonpoor whites for the danger of birth defect (78/86%), the married woman who does not want another child (41/49%), the family that can't afford another child (45/57%), rape (79/87%), and the unmarried woman (34/53%). The nonpoor percentages are identical (92%) where the woman's health is endangered. Cumulated poor/nonpoor differences are 53 for whites, 65 for blacks. Cumulated interracial differences are 68 for the poor, 55 for the nonpoor.

There are no clear racial differences for either poor or nonpoor in the view that premarital sex or homosexuality is "always wrong." However, blacks are less likely than whites to think that extra-marital sex is always wrong: Poor = 71/80%, Nonpoor = 51/72%, with the greater difference occurring for the nonpoor.

Blacks differ little from whites on the ill effects of pornography, but race differences occur on the three pornography policy options. On prohibition, restriction to adults, and no controls, the white poor divide, respectively, 46-40-12; the black poor 31-49-15%. For the nonpoor, the division is: white = 43-49-8, black = 23-60-16%. In other words, poor or nonpoor, blacks are cooler toward prohibition than whites, but income differences are more significant for blacks than whites.

The white poor more often than the black (46 vs. 33%) think that women should run their homes and leave running the country to men, the black poor percentage being the same as that for both nonpoor groups. On the other hand, the black nonpoor are less likely than the white (65/74%) to approve of a woman working if she has a husband to support her, despite the fact that black wives much more often work than white ones. There is no difference by race from the national poor/nonpoor figures on willingness to vote for a woman for President.

Crime and the Legal System

Poor and nonpoor, blacks more often than whites fear to walk at night in an area near their homes: Poor = 67/51%, Nonpoor = 55/39%. Note that the nonpoor blacks appear more often fearful than the poor whites. The black and white poor are similar in percent who think the courts aren't harsh enough; the nonpoor blacks are less likely than the nonpoor whites to think so (62/76%). Nonpoor blacks are also much more likely than whites to think the courts are too harsh (23/2%); this is less common for the poor blacks (11%). Poor and nonpoor, about 66% of whites and 37% of blacks favor the death penalty for murder, the racial difference wholly eclipsing trivial income differences within race.

About 77% of all four race/income groups favor requiring a police permit to buy a gun. A little over a third of the poor, black and white, have a gun at home; half of the nonpoor whites and a third of the nonpoor blacks do. The black poor are significantly more likely than the black nonpoor to oppose marijuana legalization (86/74%), but interracial differences by income are not apparent.

Race Questions: Busing*

There is a strong racial difference in opposition to busing for school integration: 33/84% (B/W) for the nonpoor and 40/76% for the poor.

Political Issues

Blacks are much more likely than whites to call themselves liberals --40/40% vs. 26/29%--and much less likely to call themselves conservatives--18/18% vs. 28/30%. Racial differences are large on the government spending questions. Poor and nonpoor, blacks are more likely than whites to favor more spending for environmental improvement, health, big cities, "halting the crime rate," aiding blacks (of course), and welfare. While few approve of more spending for foreign aid, the nonpoor blacks significantly more often than the whites do so (11/2%). Excluding expenditures for blacks, which nearly all blacks approve, the biggest point spreads are for welfare (Poor B/W = 59/27%, Nonpoor = 48/17%), education (Nonpoor = 80/51%), aid to big cities (Nonpoor = 74/52%), improvement of health (Poor = 75/56%, Nonpoor = 83/64%) and, again, education (Poor = 57/39%). Blacks are also much more likely than whites to think we are spending too much on the space program: Poor = 88/61%, Nonpoor = 84/56%.

Excluding the question on government expenditures for blacks, the summed deviation from white responses on "too little" spending is +106 for poor blacks and +132 for nonpoor blacks. If welfare is also excluded, these fall to +74 and +101, respectively.

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*Other race questions discussed in other sections were asked only of whites.

There are also greater differences between the poor and nonpoor for blacks than for whites on these questions. Nonpoor blacks significantly more often than poor blacks think we are spending too little for health, the cities, drug abuse prevention, crime, and education; poor blacks more often than nonpoor think we are spending too little on welfare. The poor/nonpoor black difference is 23 points on education, 19 on cities, 14 on crime, less on others. No poor/nonpoor white difference exceeds the 13 points for environmental outlays. The summed deviation of poor from nonpoor blacks responses is -59 compared to -22 for whites.

Confidence in National Leadership

In the region, age, and education breakdowns on this set of 12 questions, I include tables showing the distribution of poor and nonpoor by these characteristics in reference to the national poor and nonpoor averages. I also calculate the deviation from the national averages for each subgroup. In the case of blacks and whites, a direct comparison would be possible, but it seems preferable, for purposes of comparison to later sections, to compare the black poor and nonpoor to the national averages. This does not affect the distributional pattern, but it does understate the extent of black deviation from white views.

The deviation from the national averages for the two income groups is -12 for the black poor, -66 for the black nonpoor. The distribution of views is as follows, the asterisks designating strong deviation:

	BELOW U.S. AVE.	AVE.	ABOVE U.S. AVE.
BLACK POOR	1*, 7, 9, 10*, 11, 12	6	2, 3*, 4, 5*, 8
BLACK NONPOOR	1*, 2, 4, 7, 9, 10*, 11*, 12*		3*, 5, 6, 8,

KEY:
1. MAJOR COMPANIES
2. ORGANIZED RELIGION
3. EDUCATION
4. FEDERAL EXECUTIVE
5. ORGANIZED LABOR
6. PRESS
7. MEDICINE
8. TELEVISION
9. U.S. SUPREME COURT
10. SCIENTIFIC COMMUNITY
11. CONGRESS
12. MILITARY

Poor and nonpoor, blacks much more often express a great deal of confidence in education's leaders, and much less often express high confidence in big business and in scientists than whites. The black poor are more often confident than the white in the leadership of organized labor (28/18%). The nonpoor blacks are less often confident than the whites in religious leadership (35/45%), Congress (9/18%), and the military (27/39%). Cumulated poor/nonpoor differences are 55 for whites, 86 for blacks, with significant differences among whites only on the press (poor higher) and science (poor lower); among blacks, on religion, the federal executive, television, and the military, the poor being more often confident of all these institutions.

Civil Liberties

Racial differences are not significant on the sample civil liberties question (whether a militant atheist should be allowed to teach in a university).

2. Region

Since my data divide the country into four regions, the presentation of differences is not so simple as for the white-black case. The divisions are East, Midwest, South, and West, which I will sometimes abbreviate to E, MW, S, and W.

Financial Status

The Western poor are happiest, the Eastern poor least happy, with their present financial situation (30/20%). Nonpoor differences are trivial. The poor are significantly less happy than the nonpoor in the East and South. Adding in "more or less satisfied" creates no variation regionally for the nonpoor, but the Eastern poor remain least satisfied, the Western poor most satisfied (55/69%). Finances had been improving,* at the extremes, for 35% of the Western poor, 16% of the Midwestern; and for 50/52% of the S and W nonpoor, compared to 37% of the MW nonpoor. Financial situation had been worsening for 26% of the W poor, and for 34% of the MW and S poor, and for about 18% of the nonpoor in all regions.

Employment

Half of the Southern poor but only a quarter of the Midwestern are very satisfied with their present work. The Southern nonpoor are also most often satisfied (56% vs. W = 45%). Poor/nonpoor differences are significant in the MW and W. The Southern poor also strongly hold that hard work is more important than luck in getting ahead (72% *vs*. MW = 52%). The Southern nonpoor vote likewise (68% *vs*. E = 51%). Poor/nonpoor differences are significant only in the E and MW--the poor being *more* likely than the nonpoor in the East, *less* likely in the Midwest, to have faith in hard work.

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*Spring 1974.

The Eastern poor are exceptionally likely (56% *vs*. 39-46%) to think a feeling of accomplishment is the most important aspect of a job. Among the nonpoor, Westerners most often hold this view (64% *vs*. 49-57%), with the Eastern nonpoor at the bottom. The MW poor place special value on advancement opportunities (31% *vs*. 15-22%, South low). The Southern poor emphasize income (33% *vs*. 15% for others). Among the nonpoor, Easterners place most value on income (22% *vs*. 12-18%). Among all region/income groups, the Eastern poor are most likely to say they would go on working if they had a comfortable income without work (70%), the Midwestern nonpoor least likely (59%), in a very narrow range.

The Southern poor are least likely, the Eastern poor most likely (31/39%) to have been unemployed for a lengthy period in the previous ten years. Unemployment among the nonpoor had been most common in the West (32% *vs*. 21-25%), and only the West lacked a significant poor/nonpoor difference. There is little variation by region in the probability that the poor have at some time received government aid, but the range for the nonpoor is from 19% in the South to 39% for the West, with the MW and E at 31/29%.

Personal Satisfaction

The Western poor most often say they find life exciting (42% *vs*. 30-35%); among the nonpoor, the MW least often find it so (42% *vs*. 49-52%). Poor/nonpoor differences exist in all regions. But "exciting" may not mean happy. The Western poor least often say they are very happy (21%), the MW and S most often (35/31%). The happiest nonpoor are the unexcited Midwesterners and the Southerners (40/43%), the least happy the Easterners (33%).

Very happy marriages are more common among the nonpoor except in the East. The range for the poor is considerable: MW = 53%, W = 79%. In all regions, the poor are less satisfied than the nonpoor with their health and their family life. Only in the East are they less satisfied with the place where they live.

Anomie

There are poor/nonpoor differences on 2 anomie questions in the East, on 6 in the Midwest, on 8 in the South and West. One of the East's two is the only anomie statement where the S and W poor are *not* different from the nonpoor. This is the statement that most public officials are not really interested in the problems of the average man.* Among the nonpoor, Westerners are less "anomic" than the national average for the nonpoor on all 9 questions; Easterners are above the national average on 8. The Western setting also appears psychologically healthier for the poor (6 below-average percentages)--but so does the Eastern (7 below average). Perhaps reflecting race differences, the South is at the bottom for the poor (7 above-average percentages). The Midwest shows mixed responses for both income groups, and the South for the nonpoor.

The Southern poor are exceptionally likely to agree that the ordinary man's lot is getting worse, that you don't know whom you can count on, and that most people don't care what happens to the next fellow. The Eastern poor are exceptionally likely to think one must "live for today" (70% *vs*. 52-57%). The Eastern poor are *least* likely, the Eastern nonpoor *most* likely to agree that next to health money is the most important thing in life (32/34%). The Western nonpoor are notably least likely to think that nobody cares about the other fellow, and to believe that you have to live for today. Midwesterners vary least from the averages for all regions.

Sex and the Sexes

The Eastern poor are the most likely (46% *vs*. 29-33%) to think that divorce should be easier to get. (Remembering that blacks much more often do so than whites, it is interesting that the Southern poor, with the Midwestern, are least likely.) The same holds for the nonpoor: E = 42%, others = 27-30%. The Southern poor are least hospitable to dispensing birth control information: 81% *vs*. E = 93% on the general question, and 54% *vs*. E = 78% on the teenagers question. The nonpoor vary little by region. The Southern poor are also least likely to approve of abortion on five out of six questions, the exception being danger to the woman's health, and the most extreme difference being 26% compared to 61% in the East and 41% for the poor nationally, in the case of a woman who is not married. The Eastern poor are extraordinarily favorable to abortion, differing little from the nonpoor and, indeed, exceeding the nonpoor for the case of the unwed woman. Among the nonpoor, there is little difference on the birth defect, rape, and danger-to-the-mother questions; on the others E and W are more liberal than S and MW. Cumulated poor/nonpoor differences vary considerably by region: E = 19 points, MW = 33, W = 70, S = 95.

Everywhere but the East there is a significant poor/nonpoor difference in views that premarital sex is always wrong. The range extends from E = 19/18% to S = 53/39%. The range for extra-marital sex is: E = 57/60% to MW = 84/76%, with the South nearly identical

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*The Western poor are exceptionally low on this question (54% *vs*. 69-74%).

to the Midwest. About 55% of both E groups and the W nonpoor regard homosexuality as always wrong, compared to 84% of the S poor and 70-75% of other groups. There is little regional difference on the pornography questions, except that significant poor/nonpoor differences are most pronounced in the East.

A majority of MW and S poor think that women should stay home and leave running the country to men (54/53%) compared to 35/37% of the E and W poor. Only 18% of the W nonpoor hold this view (others = 27-33%). The S poor are much less likely than others (64%), the W poor more likely than others (83%) to say they would vote for a woman for President. Poor/nonpoor differences are significant except in the West. 70% of the E poor, compared to 51-56% of others, approve of a woman working who has a husband to support her.

Crime and the Legal System

In all regions, the poor are more fearful of going out at night than the nonpoor: 61% of the E and W poor are afraid, and 49/51% of the MW and S. There are no regional differences for the nonpoor. The view that the courts are not harsh enough shows no regional variation, and differences on the death penalty are also small. By contrast, Westerners are least likely (63/67%) to favor requiring a police permit to buy a gun. The Southerners resemble the Westerners; the Easterners (93/87%) are quite different. Regional difference is also great in percent who have a gun at home: E = 19/30%, MW = 30/55%, W = 33/47%, S = 48/65%. Opposition to marijuana legalization ranges from W = 73% to S = 90% for the poor; from E = 73% to S = 88% for the nonpoor.

Race Questions

The poor oppose busing less often than the nonpoor in all regions but the East. The Eastern nonpoor are least opposed (73% vs. 82/85% for W and S). Opposition by the poor is highest in the S and E (74/76%), lowest in the MW and W (63%). Whites in the West and East are least favorable to a law prohibiting white-black marriages: Poor = about 38%, compared to 51% for S and MW; Nonpoor = 17/21% in W and E, 29% in MW, 39% in S. However, in all regions but the West, poor whites less often than the nonpoor object to sending their children to a school that is over half Negro. The Western poor are most, the MW least often opposed (43/26%). Nonpoor whites object most often in the South, in a narrow range: 55% vs. 44-47%. In the East and South, nonpoor whites are significantly more likely than poor ones to say they would vote for a Negro for President: 74% of Southern nonpoor whites would do so, compared to 83-87% elsewhere; and 60% of Southern poor whites, 72% of Eastern, and 80% of Midwestern and Western.

Political Issues

The S and W poor less often call themselves liberal than the Eastern poor (27% vs. 35%); the E and W poor (16/22%) less often than the Midwestern (32%) call themselves conservative. The nonpoor do not vary by region. Only in the East are the nonpoor more often conservative than the poor (27/16%).

Poor and nonpoor, Easterners are most likely to say we are spending too little on the environment, health, big cities, and blacks; the Midwesterners top the list on "halting the crime rate." Southern nonpoor and Eastern poor most often think we are spending too little on education; Westerners, especially the nonpoor, least often think so. Southerners least often think we are spending too much on the military (S = 17/25%), Easterners much more often (E = 35/42%). The poor everywhere are more likely to think we are spending too little on welfare, with a range (W/E) of 29-38%, compared to 18-22% for the nonpoor.

The East is the only region where the summed deviation of poor from nonpoor responses on the spending questions has a positive sign, and even in the East it is only +1. The Eastern poor are much less likely than the nonpoor to think we are spending too little on big cities (-19), or on combatting crime (-14) or drug abuse (-10). Poor deviation from nonpoor is highest in the South, summing -43 despite the highest regional positive deviation on welfare (+17). The largest negative deviation of the S poor from the nonpoor is on outlays for education (-18), reflecting a very high nonpoor percent. The summed deviation for the Midwest is -21, with the poor especially low on the need for more expenditures to improve the environment (-20). The figure for the Western poor is -11 with no exceptional specific deviations. Poor and nonpoor, "environment" is regionally an Eastern concern (E = 65/71%).

Confidence in National Leadership

Table I shows the distribution of confidence ratings with respect to national averages for poor and nonpoor. As it indicates, Easterners, poor and nonpoor, are especially stingy with their high confidence ratings, while Southerners are especially generous. These attitudes are reflected in summed deviations from national averages of -78 and -15 for poor and nonpoor Easterners, and +39 and +21 for poor and nonpoor Southerners. However, Westerners are more pessimistic than the distribution indicates, registering a remarkable deviation from average of -41 for the nonpoor, and a deviation of -3 for the poor. The figures for Midwesterners are P = -1 and NP = +15.

For the poor, differences by region are greatest in respect for the leadership of education (E = 37%, S = 62%), organized religion (W = 29%, MW/S = 52/51%), and the military (E = 32%, S = 52%). The greatest differences for the nonpoor are only 15 points: education (W =37%, MW/S = 52%), and organized religion (W = 34%, MW/S = 49/47%).

Table 1

HIGH CONFIDENCE IN INSTITUTIONS: POOR & NONPOOR BY REGION

NOTE: THE NUMBERS REFER TO PERCENTAGES EXPRESSING A GREAT DEAL OF CONFIDENCE IN THE LEADERSHIP OF 12 U.S. INSTITUTIONS. THE AVERAGE REFERRED TO IS FOR ALL POOR/NONPOOR RESPONDENTS. THESE AVERAGES ARE GIVEN IN THE KEY TO THE NUMBERING IN PARENTHESES.

REGION	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE
POOR:			
E	1, 2*, 3, 4, 5, 6, 7*, 8, 9, 12*		10, 11
MW	1, 4, 6, 8, 10, 11, 12,		2, 3, 5, 7, 9
S	9, 10	5, 7	1, 2, 3*, 4, 6, 8, 11, 12*
W	2*, 3, 7, 9	12	1, 4, 5, 6, 8, 10, 11
NONPOOR			
E	3, 4, 5, 8, 11, 12	1, 2, 7, 9, 10	6
MW	7, 10, 12	1, 4	2, 3, 5, 6, 8, 9, 11
S	6, 9, 10	5	1, 2, 3, 4, 7, 8, 11, 12
W	1, 2*, 3*, 5, 6, 7, 8, 11		4, 9, 10, 12

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*ASTERISKS DENOTE 10+ POINT DEVIATION FROM AVERAGE.

KEY:
1. MAJOR COMPANIES (27/33%)
2. ORGANIZED RELIGION (44/44%)
3. EDUCATION (52/47%)
4. FEDERAL EXECUTIVE (17/13%)
5. ORGANIZED LABOR (20/17%)
6. PRESS (32/24%)
7. MEDICINE (58/62%)
8. TELEVISION (29/21%)
9. U.S. SUPREME COURT (30/35%)
10. SCIENTIFIC COMMUNITY (40/50%)
11. CONGRESS (20/17%)
12. MILITARY (44/38%)

POOR = UNDER $6,000 INCOME, 1973

NORC, SPRING 1974

Civil Liberties

Southerners and Midwesterners are much more likely than Easterners and Westerners to oppose allowing a militant atheist to teach at a university. The nonpoor percentages are W/E = 39/43% and MW/S = 54/56%. The range for the poor is from 50% to 77%, with each interval (E-W-MW-S) eight points or more.

3. Age

The age categories utilized are under 30, 30-49, 50-69, and 70+. Almost a quarter of the "poor" sample is 70+, compared to 4% of the nonpoor. About a quarter of both groups are under 30.

.Financial Status

A major theme which carries through the analysis and is confirmed by other poll data is the greater contentment of the old than the young and middle-aged. This appears even on the matter of financial situation. Poor and nonpoor, 48% of the 70+ respondents are "pretty well satisfied" compared to 20/21% of the under 30's. There is a marked income difference for the two intervening age groups: 11/31% and 25/44%. When the "more or less satisfied" are added, poor/nonpoor significance emerges for the very young (58/78%) but not for the very old (85/89%). Similarly, the oldest are, among the poor, the least likely by far to say that they regard their incomes as below average for all Americans (32 vs. 58-64%). The elderly nonpoor are the most likely to regard their incomes as above average, although the range (23/30%) is not significant.

There are great differences by income in percent who say their financial situation has been improving, especially for the 30-49's (15/47%) and the under 30's (30/52%). Things have been getting worse for half the 30-49 year old poor, compared to 19% of the nonpoor, for 35% of the 50-69 poor and 19% of the nonpoor, and for 28 and 16% of the youngest groups. The aged do not differ by income on these questions.

Employment

Satisfaction with one's work rises with age, especially for the poor. Excluding the aged, the range by age is 28 to 48% for the poor, 43 to 57% for the nonpoor. However, poor and nonpoor, those under 50 are slightly more likely to say they would continue to work if they had a comfortable income independent of work. The range is narrow (56 to 69%).

Under 30, the poor are less likely than the nonpoor to consider hard work more important than luck in getting ahead. Surprisingly, this relationship reverses with the 30-49 age group, the reversal being caused by a jump in the poor percent from 56 to 73% while the nonpoor stay roughly constant (64/61%). This difference between the youngest and second youngest poor groups brackets the range of views by age and income on this question.

The probability of having been unemployed for a month or more in the past ten years drops sharply with age; excluding the elderly, 60-49-24% for the poor, 44-22-13% for the nonpoor groups. The young, poor and nonpoor, are least likely ever to have received government aid (37/24%), the 30-49 year old poor most likely (58%).*

Over age 30, the nonpoor more often than the poor consider a feeling of accomplishment the most important aspect of a job. Over 30, the poor more often esteem a high income than the nonpoor. The young, who do not differ significantly on any of the 5 choices, are least likely to consider a high income important (14/14%); together with the aged, they are the most likely to vote for advancement opportunities (26/22% and 25/23%). However, all age/income groups place "a feeling of accomplishment" at the top.

Personal Satisfaction

The young, followed by the old, are the most likely to find life exciting: 44/52% and 38/53%. The intervening poor age groups are much less likely to do so (27%). On the overall happiness question, the young are least likely to say they are very happy (20/31%), the very happy increasing regularly with age to 37/52% for the 70+ group. The elderly poor are as often very happy as the 30-49 year old nonpoor.

The very old are also the most satisfied with their marriages of the nonpoor; among the poor, the very young have the happiest marriages. Income differences are significant (favoring the nonpoor) on the marriage question over age 50 but not below. For ages 30 to 69, the poor are significantly less satisfied with their residence, family life, health, friendships, and leisure activities than the nonpoor; for the aged, this is true on all but friendships, for the young only on friendships and leisure activities. On these 5 satisfaction questions, the cumulated disparities by income range from 37 points for the aged to 94 for the 30-49 group. There is an extraordinary 28 point poor/nonpoor disparity in satisfaction with health for the 50-69's, and of 25 points for the 30-49's, reflecting the likelihood that health problems are a major reason for low income at these ages, more so than for the young and old. The young are much less contented with their place of residence than others (28/29%), contentment rising sharply with income to 72/61% for the aged, among whom alone the poor are more satisfied than the nonpoor. The aged poor are conspicuously more content with all aspects of life, excepting health, than the rest of the poor. Even on health, they are more satisfied than the middle-aged.

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*Presumably, the old do not regard social security payments as government aid.

Anomie

In view of the data discussed thus far, it comes as a surprise that the elderly quarter of the poor are the most likely (53%) to agree that next to health money is the most important thing in life. This percentage is much higher than for the middle-aged groups (36/40%), or for the young poor (24%). Agreement with the view also rises with age for the nonpoor: from 17% to 39%. Similarly, the aged poor are the most likely to believe that "Most people don't really care what happens to the next fellow" (71% _vs_. 54-64% for other poor). The other seven "anomie" questions show no age pattern for poor or nonpoor, except that the young poor are below the national averages on 8 questions (the young nonpoor only on 5).

Sex and the Sexes

Young people are the most likely to think divorce should be easier to get: 54% of the young poor think so, the view declining with age (32-26-15%); 45% of the young nonpoor think so, compared to 22-30% for others. Poor and nonpoor, about a third of the young, three-fifths of the 30-49's, and half of those over 50 think that divorce should be harder to get.

Under 50, over 90% favor disseminating birth control information to anyone who wants it. An income gap then appears, widening to 72/89% for the 70+ group. Income differences are significant at all ages on giving information to teenagers, with the least difference for the young (84/94%) and the greatest for the 50-69's (54/79%) and the aged (46/63%).

The three most common reasons for approving abortion (birth defect, woman's health, rape) show no age pattern, except that the aged nonpoor are less approving in the birth defect case (65 _vs_. 85-88% for other nonpoor); but there is a regular drop with age for the poor on approval of abortion where the woman is married and does not want another child (Range= 51-24%). Where the reason is the family's poverty, the young poor differ from others (57 _vs_. 36-39% approving). Where the woman is unmarried, the poor under 50 are slightly more approving than others (about 45% vs. about 36%). The nonpoor are remarkably homogeneous by age groups on these more controversial questions.

An extraordinary progression by age shows up on the view that premarital sex is always wrong: Poor = 12-33-48-66%, Nonpoor = 10-28-43-51%. Income differences are significant only for those over 70. On extramarital sex, the "always wrong" percent rises with age from 62-95% for the poor, from 59-87% for the nonpoor, again with the aged showing the only significant poor/nonpoor difference. Regarding homosexuality as always wrong are 52-90% of the poor and 54-80% of the nonpoor, rising with age, and with income distinguishing replies for all but the under 30's.

At all ages, the poor more often believe pornography leads to rape, but only among the 50-69's that it produces breakdown of morals. These beliefs rise markedly with age up to age 70. The young, poor and nonpoor are most likely to favor no restrictions on pornography (22/12%), and least likely to favor a total ban (19/20%), followed at some distance by the 30-49's (32/40%), with a majority of the older poor and nonpoor preferring this policy option. (Interestingly, the elderly poor come in second to the young among the small numbers who favor no restrictions.)

The view that women should leave running the country to men rises from 22/20% for the young to 67/52% for the old, with income differences significant past age 30. Willingness to vote for a woman for President goes 92/89% for the young, and about 61/71% for the two groups over 50.

Crime and the Legal System

There is no age pattern for fear of walking in one's neighborhood at night, except that the 70+ poor are more fearful than others (61 vs. 49-55%). The young are much less likely than others to think the courts are not harsh enough: 54/64% vs. 77-82% for other age/income groups. Under age 50, the poor less often than the nonpoor regard the death penalty for murder as desirable, and this view rises slightly with age for both groups. There is no age/income difference in favoring police permits for the purchase of guns, the range for all eight age/income groups being 70-80%. Under age 50, the poor are less likely than the nonpoor to own guns: Poor = 23/32% for these age groups, Nonpor = 53/53%. Over age 50, about 44% of poor and nonpoor own guns.

The young much less often than others oppose marijuana legalization, and they alone show the poor less likely than the nonpoor to do so (54/62%). The range for the six age/income groups over age 30 is only 82-95%.

Race Questions

At all ages but 50-69, the poor less often oppose busing than the nonpoor. Opposition rises with age, from 62 to 78% (ages 50-69) for the poor, and trivially (76-83%) for the nonpoor. Whites vary greatly by age in favoring a ban on black-white marriage. The break for the nonpoor is age 50: below that, 15/24% favor, above it 41/52%. Among the poor, the under 30's (16%) are distinguished from the 30-49's (44%), as well as those older (51/75%).

For all but the young, the poor oppose sending their children to a school that is over half black less often than the nonpoor. The youngest poor are most opposed (41%), followed by the oldest (37%), with the 30-59's at 25%. The nonpoor under 70 are homogeneous (47/48%); over 70, 55% are opposed. Age 50 is the breakpoint on voting for a Negro for President. Under that age, 83/87% of the poor and nonpoor white would do so; over it 76% of the nonpoor and 64/57% of the poor.

Political Issues

The under 30's more often than others call themselves liberals: 42% do so, compared to 33/27% for the 30-49's, with the 50+ groups slightly less often liberal. The greater prevalence of liberalism among the young does not translate into a greater tendency for poor or nonpoor to think we are spending too little, except for improving the environment (79/77%) and aiding the big cities (61/60%). As these examples show, the young vary little, poor/nonpoor, on the spending questions. The summed deviation of the young poor from nonpoor is +7. The extremes are: 30-49 = +57, 70+ = -76, with 50-69 = -42.

In sum, the poor under age 50 are more in favor of increased government spending than the nonpoor, while the reverse is true for the over-50's. The most important single factor here is welfare, where the deviation for the poor is +19 for the young, and +28 for the 30-49's, compared to +9 for each of the older groups. If welfare is excluded, the summed deviations on the remaining 10 questions are: under 30 = -12, 30-49 = +29, 50-69 = -51, and 70+ = -85.

There is a marked difference by age for the poor on: outlays to improve the environment (43 points, with those below 30 most favorable), aid to big cities (30 points, similar pattern to the preceding), welfare and aid to blacks (26 points, similar pattern), education (25 points, with the elderly much lower than others), and health (26 points, with the 30-49's significantly high). Excluding the elderly, because there are relatively so few, major variation of the nonpoor by age occurs on environmental outlays (28 points, with the young at the top), distantly followed by big cities and education (14 and 13 points, the 50-69's less favorable). Poor and nonpoor, the 50-69's are especially likely to be hospitable to increased military outlays (26/26%, vs. 12% for the 4 age/income groups under age 50).

Confidence in National Leadership

The age distribution of high confidence ratings for 12 U.S. institutions is shown in Table 2. For the poor, these figures represent a summed deviation from the national average of +1 for the under 30's, -22 for the 30-49's, +6 for the 50-69's, and +32 for the 70 and over group. While the distribution of the poor 30-49 year olds' views is relatively even, the deviation is substantial, primarily because of a very small vote of high

Table 2

HIGH CONFIDENCE IN INSTITUTIONS: POOR AND NONPOOR BY AGE

NOTE: THE NUMBERS REFER TO PERCENTAGES EXPRESSING A GREAT DEAL OF CONFIDENCE IN THE LEADERSHIP OF 12 U.S. INSTITUTIONS. THE AVERAGE REFERRED TO IS FOR ALL POOR/NONPOOR RESPONDENTS. THESE AVERAGES ARE GIVEN IN THE KEY TO THE NUMBERING IN PARENTHESES.

AGE	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE
POOR:			
UNDER 30	1, 2, 3, 4, 5, 11, 12	- -	6, 7, 8, 9, 10
30-49	1*, 2*, 4, 5, 8, 10	6	3, 7, 9, 11, 12
50-69	3, 6, 7, 8, 9, 10	- -	1, 2, 4, 5, 11, 12
70+	7, 9, 10	- -	1, 2*, 3, 4, 5, 6, 8, 11, 12
NONPOOR			
UNDER 30	1, 2, 4, 11, 12	3	5, 6, 7*, 8, 9, 10
30-49	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12	11	- -
50-69	6, 7, 9, 10	8, 11	1, 2, 3, 4, 5, 12
70+	- -	9, 10	1*, 2*, 3*, 4*, 5, 6*, 7, 8, 11, 12*

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*10+ POINT DEVIATION FROM AVERAGE.

KEY:
1. MAJOR COMPANIES (27/33%)
2. ORGANIZED RELIGION (44/44%)
3. EDUCATION (52/47%)
4. FEDERAL EXECUTIVE (17/13%)
5. ORGANIZED LABOR (20/17%)
6. PRESS (32/24%)
7. MEDICINE (58/62%)
8. TELEVISION (29/21%)
9. U.S. SUPREME COURT (30/35%)
10. SCIENTIFIC COMMUNITY (40/50%)
11. CONGRESS (20/17%)
12. MILITARY (44/38%)

POOR = UNDER $6,000 INCOME, 1973

NORC, SPRING 1974

confidence, relative to other poor groups, in the leadership of the major companies (17%) and of organized religion (32%).

Table 2 shows remarkable distributional imbalance for the 30-49 and 70+ nonpoor. The fairly small numbers of nonpoor elderly have a unique deviation of +120 from the national nonpoor average. By contrast, the 30-49's deviate only a few points on each question, for a total of -26, which is still the highest negative deviation for any age/income group, followed by the poor of the same age. Deviations for the under-30 nonpoor are +8, for the 50-69's +9. In sum, all age groups are above average except for the 30-49's, and the aged have the highest level of confidence in the leadership of U.S. institutions.

Civil Liberties

Poor and nonpoor, the elderly are strongly opposed to allowing a militant atheist to teach at a university (87/83%). Below 70, the view rises sharply with age, from 38 to 79% for the poor, from 30 to 63% for the nonpoor, with the biggest break at age 30, and with poor/nonpoor differences significant up to age 70.

4. Education

The three educational categories are: 8 years or less, 9-12 years, and more than 12 years. I will refer to these as grade school, high school, and college groups. Alone among the many subsamples discussed in this paper, the college-educated poor are too few (N = 25) for confidence that their replies are reasonably representative. The reader should bear this in mind.

Financial status

Poor and nonpoor, the college-educated are significantly more likely than the high school educated to be "pretty well satisfied" with their present financial situation, the grade school group occupying a middle position: Col. = 32/40%, H.S. = 23/28%. At all educational levels, the same proportion of the poor (about 25%) say their financial situation has improved in recent years, but there is a marked progression with education for the nonpoor: 36-46-57%. A third of the poor and 15-19% of the nonpoor claim a deterioration. Education does not affect the view that one's income is below average, but, not surprisingly, the nonpoor who are better educated are more likely to see it as above average--11-23-53%. As on other breakdowns, these percentages considerably understate reality.

Employment

Education is irrelevant to the percent of the poor who are very satisfied with their work (39-41%) but the grade school nonpoor (40%) vary from the high school and college groups (51/56%). The percent who would work even if they had a comfortable non-work income for life rises markedly with education, from 56 to 80% for both poor and nonpoor. In all education/income groups about 63% consider hard work more important than luck in getting ahead. On the most important aspect of work, preference for a feeling of accomplishment rises linearly with education for both the poor (34-52-78%) and the nonpoor (38-56-74%). The reverse is true of preference for high income: Poor = 29-12-4%, Nonpoor = 24-18-5%. Note that, when education is controlled, poor/nonpoor differences on these choices cease to be significant: nationally, there is a 12 point disparity (43/55%) between the poor and nonpoor "vote" for a feeling of accomplishment. The high school poor are more interested in advancement than in immediate high income (25/12%). The opposite is true for the grade school poor (20/29%).

Personal Satisfaction

Considering one's life exciting rises greatly with education for both the poor (27-43-56%) and the nonpoor (40-45-64%). In the grade school and college poor groups 14/12% consider life dull, compared to 3% or less for all others. Except for the grade school level, poor/nonpoor differences are substantial on the overall happiness question. Percent who are "very happy" is inverse to education for the poor (32-26-17%). Among the nonpoor, the high school educated are more likely than the college educated to be very happy (41/33%) with the grade school group in the middle. The high school poor are more likely than others to be very happy with their marriages (80 vs. 56/62%). Two-thirds of the high school and grade school nonpoor have very happy marriages, and 77% of the college-educated.

Surprisingly, the grade school groups (48/51%) are the most likely to express very great or great satisfaction with their place of residence, the college groups least likely (28/42%). Note that the grade school poor seem slightly more satisfied than the college nonpoor. Education makes no difference on other satisfaction questions in the set of five, except that the high school poor more often than others express high satisfaction with their health (57 vs. 42-40%). Cumulated poor/nonpoor differences on 12 measures of personal satisfaction are virtually identical for the grade school and high school groups (about 121), much higher for the college groups (192), if the college poor group is representative.

Anomie

On the 9 anomie questions, poor/nonpoor differences are diminished when education is controlled. Nationally, these differences are significant on 6 of the questions, but for the high school groups on only one, for the grade school groups on only 2, for the college groups on 5. The difference that retains significance for all three educational levels is the greater likelihood that the poor will agree with the statement that nowadays a person has to live pretty much for today, and let tomorrow take care of itself. However, even here there is great divergence by education from the national poor/nonpoor averages: National = 57/38%, Grade school = 65/51%, High school = 45/37%, College = 48/24%.

The high school poor are more optimistic than the grade school poor on 8 questions, the high school nonpoor are more optimistic than the grade school nonpoor on all 9, and the college nonpoor are more optimistic than the high school nonpoor on all 9. The range by education is extraordinary for the nonpoor, with all 18 step-by-step differences being significant, and the point spread extending from 25 points (There are no right and wrong ways to make money any more, only easy and hard ways--30/5%) to 40 points (It's hardly fair to bring a child into the world with the way things look for the future--51/11%). The college poor are lower than the grade school poor on all 9 questions, but higher than the high school poor on 3. The point spread for the poor, by education, ranges from 9 to 48 points but is smaller than for the nonpoor on most questions. However, when the college groups are excluded, the cumulated excess of "anomie" for the grade school over the high school educated is slightly greater for the poor (126 points) than the nonpoor (107 points). Clearly, education makes a great difference in the extent to which poor or nonpoor people view the larger world as perilous or hostile.

Sex and the Sexes

The college-educated may be slightly more likely than others to favor making divorce easier to get, but the differences are much less for the nonpoor than between blacks and whites, Easterners and other regions, and the young versus older people. The grade school poor differ from the other five education/income groups in low approval of making birth control information available to anyone (79 vs. 92-96%). Except for the aged versus others, this is the only significant difference on this question.* Favoring birth control information availability to teenagers rises with education: Poor = 52-74-84%, Nonpoor = 77-86-90%. The only larger range is for the aged compared to others.

On all six abortion questions, approval rises with education for both poor and nonpoor. The range is greater than for any other variable, with the exception that the difference between the grade school poor and the college nonpoor (35/66%) on the question of abortion for an unmarried woman is less than between the Southern poor and the Western nonpoor and Eastern poor (26 vs. 63/61%). Comparing grade school and high school poor, the differences by education are significant for all 6 abortion questions, extending from 30/39% for the woman who is married and doesn't want another child, to 69/84% where the pregnancy is caused by rape. No poor/nonpoor difference is significant for the high school educated, although 5 are significant, poor/nonpoor, at the grade school level. The college educated are unique in that at least 60% of both poor and nonpoor favor each of the 6 reasons for legal abortion. The nearest approaches to this degree of approval for abortion are found among the Eastern nonpoor and poor, where the lowest approval is 55/52%, and among the poor and nonpoor under 30, where it is 49/50%.

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*Obviously, there is overlap between these two groups.

Percentage considering premarital sex always wrong drops with education and income: Grade school = 48/39%, H.S. = 30/25%, Col. = 16/22%, but the overall range is slightly less than by region (18-53%) and considerably less than by age (10-66%). The education/income range on flat disapproval of extramarital sex is 83-60% except for the college poor (52%); on flat disapproval of homosexuality it is 85-47%, again excepting the college poor (36%).

The tendency to believe that pornography conduces to breakdown of morals drops with education: Grade school = 66/61%, H.S. = 50/49%, College = 33/42%. The overall range is greater than by race or region, less than by age. The same pattern holds for the association of pornography with rape, except that the college poor are as likely as either high school group to make this association (50 and 48/46%, vs. 30% for the college nonpoor). About 44% of the four sub-college groups favor total prohibition of pornography, compared to 11/34% of the college-educated. The college groups most often favor restriction of pornography distribution to adults (56/54%). A third of the college poor and 15% of the high school poor, compared to 7-10% of others, prefer no regulation.

By education, the percent saying that women should run their homes and leave running the country to men drops for the poor (61-30-16%) and the nonpoor (49-23-12%). The percentages for the college-educated are slightly lower than even for the under-30's (22/20%); the grade school group are higher than all others except the aged (67/52%). The high school and college groups are unusual in not showing a poor/nonpoor difference in the percent who would consider voting for a woman for President (Range = 80-87%). The grade school educated (65/74%) are less liberal on this question than anyone but people over 50 and the Southern poor.

Crime and the Legal System

The college poor are most fearful of walking in their neighborhood at night, the college nonpoor least so (76/35%). At the lower educational levels about 52% of the poor and 42% of the nonpoor express this fear. The range for the nonpoor is similar on this question for all variables but race (W/B = 39/55%).

Belief that the courts are not harsh enough, that the death penalty is appropriate for murder, and that marijuana should not be legalized drop as education rises. For the nonpoor, the ranges on the three questions are, respectively, 78-65%, 68-60%, and 87-65%. The generally extreme liberalism of the possibly unrepresentative college poor group creates a greater range on all three questions for the poor: 79-39%, 63-32%, and 94-33%. On the marijuana question, the difference between the grade school and high school poor (94/66%) is greater than any regional difference but less than the difference between the young poor and those over thirty (54 vs. 87-95%).

About 75% of all education/income groups favor a police permit requirement for buying a gun, and gun ownership varies only moderately by educational level: for the nonpoor, 44% of the college group and 51-53% of others; for the poor, 27% of the high school educated, 36% of the college educated, and 41% of those who never went beyond grade school.

Race Questions

Opposition to busing is significantly lower for the poor at all educational levels, but it does not vary by educational level, the range being 76-81% for the nonpoor, and 67-74% for the poor, with both high school groups most opposed.

Majorities of both white grade school income groups (61/51%) favor a law prohibiting the marriage of blacks and whites. A third of the high school poor, a quarter of the nonpoor, do so, and 5/9% of the college-educated. About 47% of college educated whites would oppose sending their children to a school that was more than half Negro. The less educated nonpoor are similar on this, but only 32/35% of the grade and high school whites who are poor take this position. The grade school whites are least likely to consider voting for a Negro for President (63/75%). Among the rest of the poor and the high school nonpoor, 82% would do so, as would 91% of the college educated nonpoor.

Political Issues

Among the poor, the college educated are most likely to call themselves liberals (52 vs. 30/26%). The same is true for the nonpoor (39 vs. 27/30%). Only for the college group are poor/nonpoor differences significant. Conservatism is highest for the high school group among the poor (29%), and is significantly higher for the college educated nonpoor than for others (37 vs. 27/24%).

The grade school poor differ from the nonpoor on 9 of the 12 government spending questions, the exceptions being space, the military, and foreign aid. The high school group differs, poor/nonpoor, on only two, the poor being more likely to favor more spending on welfare, less likely to favor more spending on cities. Even these differences are small. The cumulated deviation of poor from nonpoor is +2 at the high school level, and -49 at the grade school level, where the biggest differences are on welfare (37/22%), education (37/50%), crime (57/71%), and aid to cities (36/49%). The deviation for the college group is -10, primarily determined by exceptionally low percentages of the college-educated poor who think we are spending too little to fight crime or drug abuse. These deviations of -31 and -22 overbalance the +13 for additional aid to blacks and +12 for welfare.

Interestingly, the grade school and high school *nonpoor* differ significantly on *none* of the 12 too-little-spending views, and the high school differ from the college nonpoor only on expenditures to improve the environment (62/71%). By contrast, the high school poor more often than the grade school poor think we are spending too little on environment, health, crime, and education, while the least educated poor are more likely to favor higher welfare outlays (37/24%). The college poor differ from the high school poor on 8 spending questions, the extreme being the small number of the former who think we are spending too little to fight crime (32 *vs.* 72%), 57% of the grade school poor hold this view, and 63-71% of the nonpoor groups.

In summary, the government-spending attitudes of the nonpoor differ little by educational level, the college group being slightly more liberal, but the attitudes of the poor differ greatly. The summed deviation for the nonpoor is -1, comparing grade school to high school, -22 comparing high school to college. For the poor, the deviation is -50, comparing grade school to high school. The figure for high school compared to college-educated poor (-14) conceals large divergence on the crime and drug questions (+40 and +21), where few of the college group think we are spending too little. In view of their marked liberalism on spending and other issues, it is interesting that the college educated poor are as likely to be strongly supportive of the military as the grade school groups (20% *vs.* 11% for the college nonpoor), and much more supportive of the space program than anyone else (20% *vs.* 4-12%).

Confidence in National Leaders

Table 3 shows the education/income distribution of high confidence ratings for key U.S. institutions. The deviation from national averages is +9 and +18 for the grade school educated, poor/nonpoor; -6 and -1 for the high school educated, and -37 and -26 for the college educated. Much the greatest point spread is registered for the scientific community, where the national average (40/50%) contrasts sharply with the views of the least educated (31/36%) and the most educated (72/61%). Only a fifth of either college group, compared to nearly half of both grade school groups, expresses a great deal of confidence in the military. Only 4 and 5% of the college groups, compared to 13/18% of the high school and 26/24% of the grade school educated, have high confidence in the leadership of organized labor. The

Table 3

HIGH CONFIDENCE IN INSTITUTIONS: POOR AND NONPOOR BY EDUCATION

NOTE: THE NUMBERS REFER TO PERCENTAGES EXPRESSING A GREAT DEAL OF CONFIDENCE IN THE LEADERSHIP OF 12 U.S. INSTITUTIONS. THE AVERAGE REFERRED TO IS FOR ALL POOR/NONPOOR RESPONDENTS. THESE AVERAGES ARE GIVEN IN THE KEY TO THE NUMBERING IN PARENTHESES.

	BELOW AVERAGE	AVERAGE	ABOVE AVERAGE
POOR			
GRADE SCHOOL	7, 9, 10, 11	1	2, 3, 4, 5, 6, 8, 12
HIGH SCHOOL	2, 3, 4, 5, 6, 8	9, 12	1, 7, 10, 11
COLLEGE	1, 2, 3, 4, 5, 7*, 8, 11, 12*		6, 9, 10*
NONPOOR			
GRADE SCHOOL	1, 7, 9, 10*	11	2, 3, 4, 5, 6, 8, 12*
HIGH SCHOOL	1, 3, 4, 9, 11	6, 7, 8, 10	2, 5, 12
COLLEGE	2, 3, 4, 5*, 6, 7, 8, 12*		1, 9*, 10*, 11

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*10+ POINT DEVIATION FROM AVERAGE.

KEY:
1. MAJOR COMPANIES (27/33%)
2. ORGANIZED RELIGION (44/44%)
3. EDUCATION (52/47%)
4. FEDERAL EXECUTIVE (17/13%)
5. ORGANIZED LABOR (20/17%)
6. PRESS (32/24%)
7. MEDICINE (58/62%)
8. TELEVISION (29/21%)
9. U.S. SUPREME COURT (30/35%)
10. SCIENTIFIC COMMUNITY (40/50%)
11. CONGRESS (20/17%)
12. MILITARY (44/38%)

POOR = UNDER $6,000 INCOME, 1973

NORC, SPRING 1974

least educated are also more confident than the most educated about educational leadership (55/55% vs. 44/38%). Poor/nonpoor variation is concentrated in the college category, where the poor are much less confident than the nonpoor about big business, medicine, the Supreme Court, and science, but more confident about the press. For the high school educated, income makes a difference only on organized religion (38/46%) and Congress (26/16%); and only on the press (34/26%) for the grade school groups.

Civil Liberties

Opposition to the idea of an atheist teaching at a university falls from 69 to 30% with rising educational level for the nonpoor, and from 75 to 32% for the poor, with the only significant income difference at the high school level (58/48%). The range by education is much greater than by region or race, but much less than by age, due to the very high opposition of ages 70 and over (87/83%).

CHAPTER V

PLACE AND POLICY

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> "We cannot have, much as we might like it, uniformly applicable national goals, objectives, and performance standards administered with efficiency and economy by state and local governments exercising initiative and imagination to adapt programs to the needs of widely varying constituencies and circumstances."
>
> Rufus E. Miles, Jr.

We are of two minds on the subject of cultural diversity in this country. We lament the homogenizing effect of the mass media and mass-produced goods. At the same time, we find it difficult to tolerate local cultural traditions that are themselves intolerant, or that contribute to the disabilities that national policy aims to redress. As the Federal co-chairman of the Appalachian Regional Commission recently put it, "Until they learn to end their cynicism and brooding hatred, until they learn to overcome their independence and pool their resources, we can build all the goddamn hospitals, roads, and schools and nothing will really change."* To remain discrete, a local culture has to be contained in space and time, protected from contamination. This often means an intolerant clannishness, often fortified by an intolerant, fundamentalist religion. Fundamentalist religion itself, with its endless taboos and other orderings of secular behavior, affronts our sense of the proper role of reason and freedom in human life. We are not comfortable with the closed mind and the uncritical acceptance of ascribed roles.

Local cultures in some cases, especially where race is a factor, are also contained by the prejudice of the outside world. When people are excluded from the opportunities of the larger society, this reinforces their own exclusiveness as an elemental matter of preserving self-esteem. Where the local culture is not self-sufficient, the necessities of survival also require its members to behave as stereotypes in their dealings with an outside world which will not permit their assimilation, regards them not only as different but as inferior, and has a clear view of their economic as well as social place. These situations are unpleasant to contemplate, and yet, where they have persisted for a long time, symbiotic relationships have developed. Everything is not negative on one side, just as everything is not positive (by the standard of self-interest) on the other. Tampering with cultural ecology is a tricky business, as many VISTA workers and others in the 1960's discovered.

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*Quoted in Howard Bray, "Appalachia: The View From Washington," The Progressive, February 1975, p. 33.

Thus a basic conceptual issue of place policy is the extent to which and the forms in which social policy can be nationalized. If we were a homogeneous society and culture, this issue could be couched in terms of the vast body of writing on the "science" of organization, which details the characteristics of various forms and degrees of centralization and decentralization with reference to norms of behavior and sometimes to dynamics of vitality and decay. But this literature assumes that objectives are simple: mainly, the efficient manufacture and distribution of goods. Social security checks are a "good" in this sense, because it is possible to separate the task of producing and distributing them to the right people in the right amounts from the controversial aspects of the social security system. The production, distribution and recovery of 1040 tax forms is similarly viewable as a closed system. The service aspects of the tax system as of the social security system are not very different from IBM's customer service network. Most of the questions that arise can be answered from a big book. Neither the opportunities nor the needs for local administrative discretion are very great.

But very few government goods are so simply disbursed. A central computer and a big book will not take care of the preparations for urban renewal or highway construction. Services to acquaint welfare eligibles with their legal rights are not, by and large, regarded in the same way as services to acquaint social security eligibles with theirs. Programs with open-ended funding, notably Medicare and Medicaid, would empty the Treasury if simply instated and left to function. Indeed, the human species is so remote from moral perfection, and the self-interested so well drape themselves in moral self-delusion, that any program in which human instrumentalities interpose between government intention and its intended objects tends to turn itself around, so that the nominal beneficiaries serve as a conduit for the transfer of government funds to the supposed instrumentalities, be they realtors or nursing home operators or ordinary bureaucrats or professionals. So even the simple mechanics of getting roughly the right services to roughly the right people at reasonable cost are not so simple. Determining what are the right services, and who are the right people, and what is reasonable cost, are of course much more difficult still.

Major Issues of Place and Policy

--Social Culture

What are the major issues for national place policy? The first is the cultural issue, especially where distinctive values, relevant to social policy, are fundamental to an area's political, social, and economic life. Such values may be captured by a sensitive novelist or essayist, but they are beyond the means of social science to describe and measure adequately. The interconnections are too many; the logic is too subtle. Local ways of looking become a national policy concern when manifested as obstructions to the realization of national policy objectives, as in civil rights matters or the administration of welfare. In other cases, the source of obstruction will be Washington itself: the means by which national objectives are implemented are excessively standardized, inflexible, or erratic. Sometimes, programs that appear to be wastefully duplicative may serve the constructive function of providing localities with choices. For instance, food stamps may be culturally acceptable where welfare liberalization is not.

--Response Capability

A related, second issue is ad hoc response capability. At all levels, government is reasonably good today at timely response to the types of disasters that make headlines. It is not so good at coping with the local variation in social welfare needs created by unsettled economic conditions. Also, any close observer of the poverty programs initiated in the 1960's would have to say that new national directives and program reorganizations and funding shifts often created havoc in localities where the existing program or practice meant something different than it meant in Washington. Similarly with paper work or matching-funds requirements: What was reasonable in some places was often impossible or counterproductive in others.

--Depressed Areas

Third, place is relevant to national socioeconomic objectives. Economic growth has been the principal engine for the reduction of poverty, but economic growth favors some localities over others. In 1966, with national unemployment below 4%, more than a fourth of the nation's counties, containing a sixth of the population, qualified as depressed by the criteria of the Economic Development Administration. In 1961, the Congress had committed the country to an area redevelopment program. Subsequently, a special, intensive program was instituted to deal with the extreme case of Appalachia, which had so shocked John F. Kennedy during the 1960 Presidential campaign. Later, six regional development commissions were formed. Fueling this wave of concern were economic and social, but also political and military considerations. Investment in depressed areas was variously viewed as increasing gross national product, reducing poverty, balancing outlays to cities, stemming the flow of unskilled blacks to cities, reducing our vulnerability to nuclear attack, and gilding the old-fashioned Congressional pork barrel. Anything that looked desirable from so many perspectives was in for trouble. Further, the urban riots made it politically impossible to keep the big cities from dipping into the area redevelopment till. A legitimate and attractive national policy objective became a tool for oiling squeaky wheels. Those who cared about the objective went through several stages of reformulating grand strategies on the basis of experience acquired, but their efforts could not prevent the continuing passage of this component of national place policy into the period of deep eclipse we observe today. However, it may be that this eclipse has been artificially intensified and prolonged by the happenstance of severe national economic ills. That the objective has been permanently abandoned as a major thrust of policy is not to be believed.

--Federalism

Fourth, federalism itself creates problems for national social policy. Much of social policy remains a local matter: public education, law enforcement, garbage collection, street maintenance. The role of state government varies widely but, at the best, the state creates needed supralocal mechanisms of a regulatory or service nature and makes some effort to equalize service-funding among localities or to relate funding to need. Probably most Americans (except for local government, school board members, and people who live in state capitals) have little sense that state government is useful, but the Constitution overrides these sentiments, and most of the national government money that ends up in Podunk has either been "passed through" or processed by state government. Also, big cities are generally absurdly overcontrolled by the states.

At the top are the federal and national governments. The federal government is the representatives of the states and localities in Congress assembled. The national government is the President, the executive office, departments, and agencies, and the Supreme Court. There is also an interface, the federal district courts, and the regional and local offices of national agencies, which sometimes wear one hat and sometimes the other.

Most students of intergovernmental relations speak today of the sharing rather than the division of power; and, reading a text written thirty years ago on, say, public health services, one does indeed have to appreciate that times have changed. In the Forties, it was still necessary to be respectful of states' rights arguments while advocating extensions of the national role. However, while the long-term trend does not appear reversible, its acceleration in the postwar decades may have been heavily dependent on a complex of economic factors which greatly increased the utility to states of the national government's superior taxing powers and overrode objections to dependency. For example, the South proved, on balance or over time, more interested in reducing its poverty than in keeping Negroes in their place. However, it now seems possible that confrontations between states' interests and the national interest could occur over nonrenewable mineral resources, conceivably over other "ecological" issues as well, and perhaps, in an imitative dynamic, over social policy matters. In other words, it seems plausible for states as well as for individuals that when one or a few stand up to authority and find the penalties not intolerable, others are likely to do so. Rather than following a smooth trend, we may have been experiencing a period of extraordinary efficacy in the acceptance and implementation of national values and interests. A period of relative ineffectiveness is not beyond imagining. Indeed, while the timing is uncertain, its nonoccurrence ever would be a surprise.

Protocol problems are a special class of the power issues. Allegiance to national social policy objectives sometimes recommends by-passing state governments dominated by suburban-rural interests in order to deal directly with (or create) organizations at the neighborhood level. "Protocol" is really too effete a word to convey the full significance of these departures from precedent, even if we understand that matters of protocol in internal as well as international diplomacy are extremely important. A necessary supplemental descriptor is "due process." Balancing due process against targeting efficiency in national social policy is somewhat like balancing the rights of the accused against the rights of the victim--and the protection of the accused as a class against the protection of citizens as a class--in the criminal justice system.

It seems that generally the untrammeled pursuit of one social aim in isolation from others is not practicable or desirable except in extreme cases--such as rescue operations or a smallpox epidemic--and even in such cases would have to be defended strictly as a lesser evil. In the postwar period, it has become accepted that up to some point the securing of Negroes' civil rights is in this class, but, while we can identify some cases that ought to be treated with maximum efficiency, many are ambiguous. More important, in practice the acceptance or abrogation of due process often has little to do with such judgments. White murderers of civil rights activists are let off by white juries; meanwhile, minor offenders against "affirmative action" guidelines are pressured and harassed even where there are reasonable arguments in their defense. Few would argue that ten cases of the latter compensate, even partially, for one of the former; and that we should let it go at that. On the other hand, many would say that, where vital issues are involved, forceful display of the federal presence at the local level is mandatory, despite the unavoidable costs of creating an image of Washington as arbitrary, insensitive, unfair, or simply stupid. And certainly there are places where direct national intervention in the Sixties successfully broadened the local political power structure. This means, among other things, that the Seventies innovation of revenue-sharing carries a potential for success in these places, by Washington criteria, that it would have lacked if instituted fifteen years ago.

In addition to the distribution or sharing of power among levels of government, federalism faces problems relating to the fact that existing political units are often too small or too large for efficient problem-solving. National, state, and adjacent-states programs and authorities attempt to supplement the limited ability of smaller jurisdictions to federate on their own initiative in order to meet supra-local objectives or achieve economies of size. But localism remains strong for several important reasons. The first is the financial structure of local services and indebtedness, which depends heavily on the local property tax. Despite state incentives, school District A rationally refuses to consolidate with debt-burdened district B. The pragmatic result of state pressures is merely that district A (or B) builds its new high school on land adjacent to the district with which the state desires it to merge, thereby receiving the maximum in state aid for construction but also requiring nearly every student in the district to be bused to the new school. Second, everyone in a complex of local jurisdictions may appreciate the need for an airport, a new dump, a new highway, or a nuclear power plant, but no one wants these things in his own backyard. Third, multiplicity of local governments means the opportunity to vote with one's feet. People with equal incomes will settle in different communities because the uses (not merely the rates) of taxes conform to their own sense of social service priorities and preferences. This variety is one of the attractions of suburbs and small towns over cities, and for business as well as for residential location choice.

Preference, of course, also extends to the race, ethnicity, and income level of one's neighbors or prospective neighbors, but these preferences can be exercised in large cities as well. The singularity and the troubling aspect of the balkanized areas is not this latter kind of choice but its implications for the tax base and the mix of needs the local government must cope with. Balkanization allows families to choose communities with tax levels and services tailored to their own needs and ability to pay, with these two considerations often in conflict for the poor. However, the issue of this kind of choice or its absence is not limited to geographical space. For instance, if the government allows it, a proprietary hospital can deliver babies or remove tonsils and appendices at considerably less cost to the customer (or his insurer) than a general hospital, which quite literally taxes appendectomies to support heart-lung machines. What is true for monopoly or oligopoly is equally true for constraints on competition among local governments, yet these latter are rarely formally discussed as involving issues of consumer rights.

So far as taxes are concerned, it is only at the local or occasionally at the state level that individuals have some choice in level and types of taxation and in the package the taxes buy. From larger perspectives, these choices both connote and yield inequities and inefficiencies. Almost invariably today, localism is viewed from "above" as entirely obstructionist, lacking any redeeming social value.

A related issue is accountability. When political and functional government units are not coterminous, accretions of power to the latter attenuate the relation of local or state government to its citizens. While considering why regional development commissions other than the Appalachian failed to become a significant arm of federal policy, Gordon Cameron noted, for instance, that "the regional commission system of multiple decision-makers makes it decidedly easy for state governors to explain away their misutilization of Federal funds by stressing that they were obliged to accept majority decisions even though they had not personally favored the unsuccessful policies."* Similarly, the local administrators of federal grants-in-aid programs can deflect complaints by declaring, correctly or not, that their hands are tied by national directives, by the availability of money for some purposes but not for others, or by "red tape." (For those who know how to use it, red tape is the most useful metaphorical substance ever invented.)

Variation Among Places

This great array of issues appears adequate in itself to explain our failure, to date, to perfect a model for intergovernmental relations in the area of social policy, even without bringing cultural and situational diversity into the picture. Characteristics of American culture (and there is such a thing), of human nature (ditto), of institutions, of politics, limit the extent to which centralized management of the society would be possible even if culture and local situations were homogeneous.

But I must return to the fact that they are not. Take the South. We have images of the South, my own most vivid ones derived from childhood vacations in a seedy, sleepy town in the Blue Ridge, and from the extremes of poverty observed during a five hour train ride from Savannah to Thomasville, Georgia, in the spring of 1955. There is also the New South, no longer represented only by belching chimneys in Birmingham but by steel and glass towers in Atlanta. There is the tourist-and-transplant South of the Florida Coast and Orlando; and the mosquito-malaria-malnutrition South of remote tidewater; and the South of university towns, the last stand of the rah-rahs and the romantics; and the South of red clay and rednecks, where the truck driver and the waitress lean on the diner counter and talk unself-consciously of finding Jesus.

The images multiply. Take New Orleans, Thanksgiving 1974. Walk down Bourbon Street where the posters are more scatological than any you'll find displayed in Greenwich Village, and deafening music blares from bars where top-less, bottom-less gogo dancers gyrate in view of the open doors. Milling on the street are college students, middle-aged tourists with children, blacks with afros and three-inch wedges and psychedelic clothes. Then cross the river and drive west-southwest a hundred and fifty miles, looking for colorful bayou poverty, finding instead colorful gigantic insects--oil rigs being assembled--and sugar cane trucks dribbling their juicy freight onto the highway. Stop at roadside diners. Note that the waitresses all are white, but the customers are integrated. Conservatively dressed, black and white are as like one another as they are unlike the gaudy New Orleans breed a few hours drive away. Buy a paper in New Iberia (home of Tabasco sauce). Feature article on the good works of a Negro dentist, founder of the local NAACP. Editorial: even though we are blessed with low unemployment rates, we must not overlook the hardships that inflation means for the poor.

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*Gordon G. Cameron, Regional Economic Development: The Federal Role, Resources for the Future, Inc., Washington, D. C., 1970, p. 125.

Or visit Fayette, Mississippi, where Medgar Evers' brother brings in federal money that mollifies his white neighbors. Listen to a middle class black opine that low welfare payments serve the interests of Fayette's future: you folks can have that shiftless trash. Go to Grambling, Louisiana, March 1975: a meeting of black mayors of whom there are now 76 in the eleven former Confederate states. Georgia State Senator Julian Bond, the dinner speaker, says it's gotten to be easier for a black to live in Triana, Alabama than in Harlem. But he also says that 362 black-majority towns in the South still have not elected a single black official, and only six of the 101 black-majority counties in the South have governments controlled by blacks.*

Is it meaningful at all to speak of The South? For that matter, is it meaningful to speak of "the city" or the "metropolitan area"? Taxonomies of cities exist, differentiating by region, or comparing old, dense, industrial, mass-transit cities to newer, sprawling, auto-dominated cities. Yet even here nearly any social or economic index indicates great diversity. To cite only one example, Table 1 shows comes cities that most travelers or experts would say have a good deal in common; yet their percentages of residents, ages 25 and older, who have eight years or less of schooling or four years or more of college differ by a factor of two:

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*Reported in The New York Times, March 11, 1975.

Table I

EXTREMES OF EDUCATIONAL ATTAINMENT IN SELECTED METROPOLITAN AREAS, 1970

	8 YRS. SCHOOL OR LESS	COLLEGE GRADUATE
BALTIMORE	33%	9%
BOSTON	16	16
BUFFALO	24	12
CLEVELAND	19	12
COLUMBUS	15	18
DETROIT	23	9
ST. LOUIS	30	11

Variation Among Low Income Places

For a more systematic look at variation among similar places, useful material is provided by the volumes published in connection with the 1970 census which deal with those census tracts designated as low-income areas in a number of specific urban and rural locations. The data show marked diversity of income distribution and family types, as well as racial percentages, within these areas. The income profiles for all U.S. urban low-income areas and for selected cities are shown on the following pages, together with some rural profiles which are discussed later. All of the profiles are drawn to the same scale. The numbers of families living in the urban low-income areas are:

U.S. urban total	3,093,000
New York City	588,300
Chicago	213,200
Omaha	17,075
Los Angeles	165,631
Newark	54,363
Detroit	120,044
Houston	117,053

In other words, the cities shown account for 41% of all families in urban low income areas, yet in no case does their income distribution profile resemble the national one. Similarities do exist between some of the specific city profiles, most notably Los Angeles and Houston, but others differ strikingly. For example, twenty-one percent of Detroit's families in low income areas had incomes of $12,000 or more, compared to 14% of New York's and 15% of Omaha's.

Figure 1

SELECTED LOW-INCOME AREAS, 1970
FAMILY INCOME DISTRIBUTION

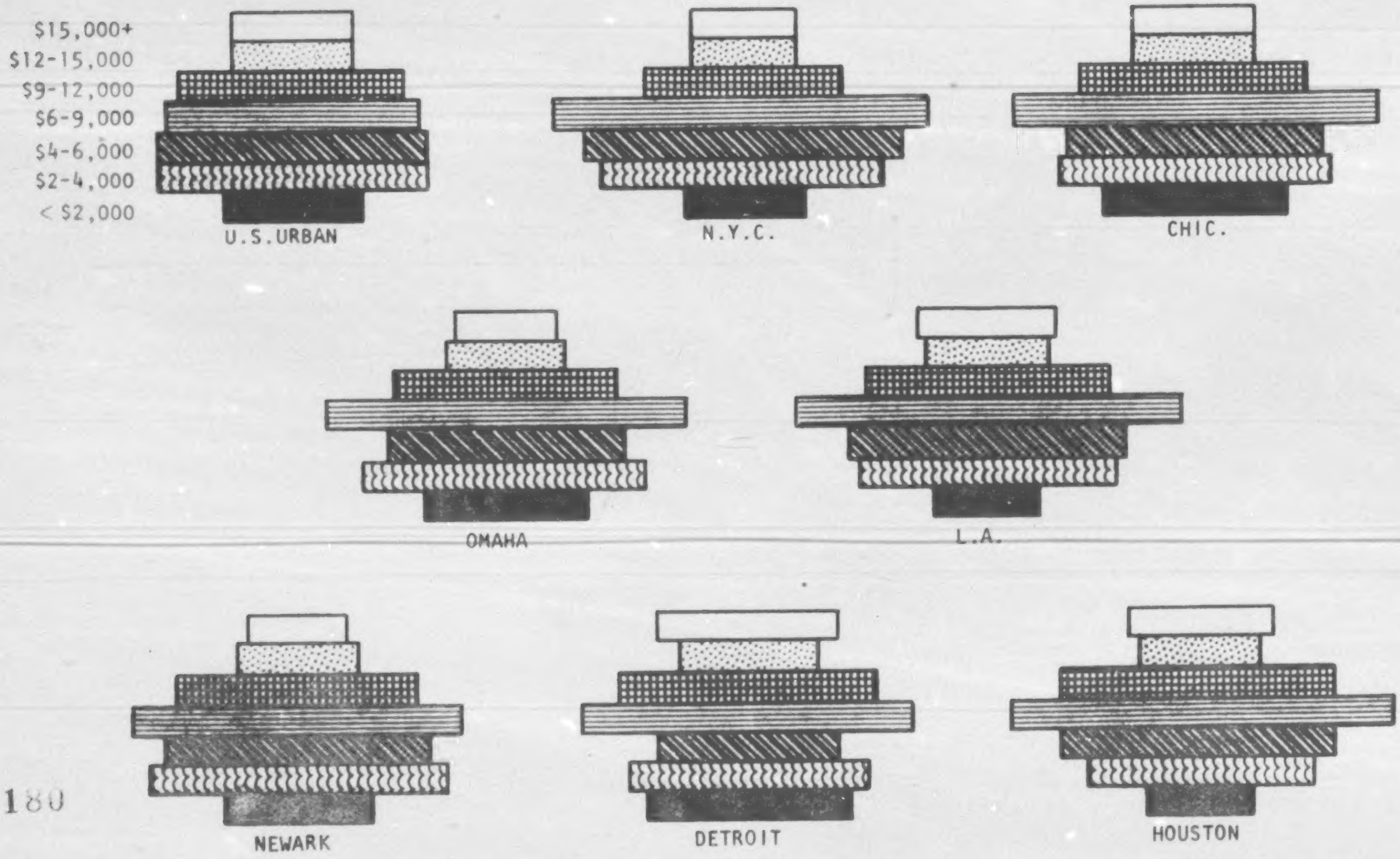
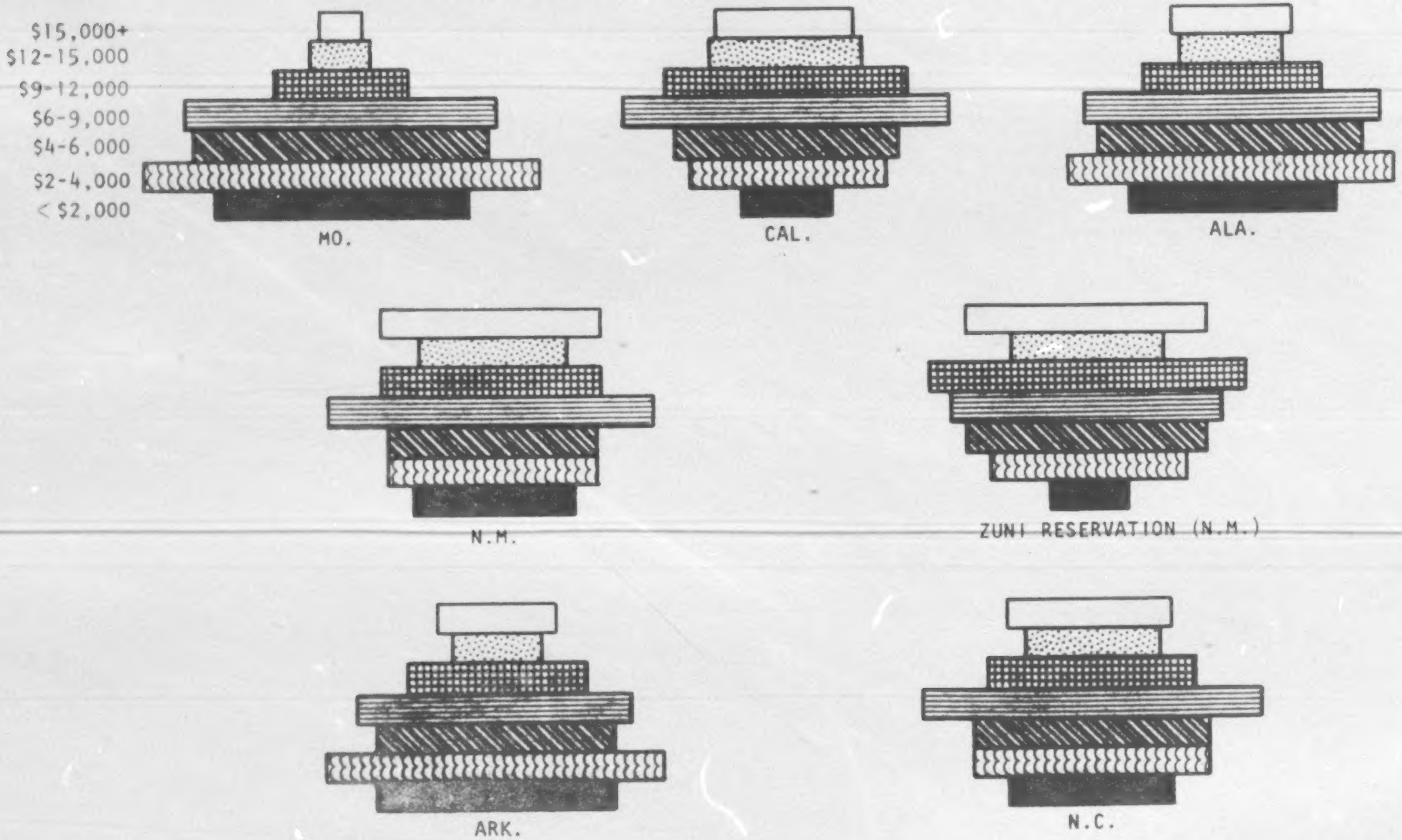


Figure 2

FAMILY INCOME DISTRIBUTION IN SELECTED RURAL LOW-INCOME AREAS, 1970



None of the low-income areas had a majority poor. The percent with incomes $6,000 and over ranges from 52% in New York and Newark to 60% in Detroit and Houston. The percentage with incomes $6,000 and over does not correlate closely with percentage black, but it does show a general inverse relationship with the percent of female-headed families in the low-income area, except for Omaha:

Table 2

FAMILY CHARACTERISTICS IN LOW-INCOME AREAS, 1970

CITY	INCOMES OVER $6,000	% BLACK IN AREA	% FEMALE-HEADED IN AREA
Houston	60%	48%	19%
Detroit	60	77	29
Los Angeles	57	42	28
Chicago	55	68	34
Omaha	54	37	26
Newark	52	68	36
New York City	52	46	34

Except possibly for Detroit, it is difficult to conclude that variations in the percent with relatively high incomes in urban poverty areas result from variations in housing segregation in the larger metropolitan areas.

Most of the cities shown have significant percentages of Spanish-origin whites in their low-income areas. For all U.S. urban poverty areas, the percentage Spanish is 13%. For the cities shown, the percentages are negligible in Omaha and Detroit; for the others: Chicago = 10%, Newark = 12%, Houston = 17%, New York = 27%, and Los Angeles = 41%. Remember that all of these data are for low-income areas, not for the cities as a whole.

The Census Bureau also surveyed a number of low-income rural areas, but these were selected to cast light on particular economic problems (e.g., tobacco counties in North Carolina), and this may explain a much greater range in income extremes than for the urban areas, as shown in the profiles on Pages 164-165, and the scatter-chart which follows on Page 167. The scatter chart (Figure 3) excludes the figures for the Zuni reservation, which, surprisingly, bracket the range, with 9% of families having incomes below $3,000 and 41% above 10,000.

Figure 3

DISTRIBUTION OF FAMILY INCOME EXTREMES IN SELECTED LOW-INCOME AREAS, 1970

	UNDER $3,000	OVER $10,000
10%	R/CAL.*	
		R/MO.
15%	L.A., HOUS.	
	N.Y.C.	
	R/N.M.	
	NEWARK, U.S./URB.**	
	R/N.C.	
20%	DETR., OMAHA	
	CHIC.	
		R/ALA., R/ARK.
		NEWARK, OMAHA, N.Y.C.
25%	R/ALA.	L.A., U.S./URB., CHIC.
		R/N.C.
		HOUS.
	R/ARK.	
30%		
	R/MO.	DETR.
		R/N.M.
35%		
		R/CAL.
40%		

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* R = rural areas.

** U.S./URB = All urban low-income areas.

Ranking the low-income areas with respect to median income, the urban areas show a range of $1,224, with New York City at the bottom and Detroit at the top:

Table 3

MEDIAN FAMILY INCOME, LOW-INCOME AREAS, 1970

RANK	MEDIAN	RANK	MEDIAN
1. R/Cal.*	$8,278	8. Omaha	$6,499
2. Detroit	7,506	9. Chicago	6,432
3. Houston	7,222	10. Newark	6,350
4. R/NM	6,814	11. New York City	6,282
5. R/NC	6,810	12. R/Ala.	5,643
6. L.A.	6,785	13. R/Ark.	5,468
7. U.S./Urb.**	6,654	14. R/Mo.	4,648

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*R = Rural low-income areas.

**U.S./Urb. = All U.S. urban low-income areas.

If it is true that in none of these urban poverty areas are a majority of the residents poor, it is also true that there is no consistent relationship of median income in the poverty areas to that in the whole metropolitan area. The ratio of poor-area median income to total metropolitan area median income in 1970 ranged from .53 in Newark and .54 in Chicago to .64 in Omaha and .71 in Houston. By the standard of over-all median income, Detroit and Newark were the wealthiest of the seven cities, and Houston and Omaha the poorest, in a median income range in 1970 of $10,174 to $12,018.

Clearly, low-income areas are what the term says; equally clearly, the 18% of New York City's population that was poor in 1970 was not coterminous with the 8% of its population that lived in "low income areas." The total population of the low-income census areas is a small number in ratio to the total low-income population of all the seven metropolitan areas. Insofar as this suggests the dispersion of poverty within metropolitan areas, Los Angeles's ratio (.22) shows much the highest dispersion, while those for Houston (.47) and New York (.46) show much the lowest, the others clustering at about .32.

Transcending the variability among cities and rural areas is the fact that, even if place-policy programs had one hundred percent targeting efficiency for low-income areas, very large numbers of the poor do not live in these areas. Of course, neighborhood health centers or Community Action Agencies may have catch-basin areas that are larger than the low-income census tracts, but it nonetheless appears that the aim of equal treatment of equals, with respect to tax-funded services for the poor, is not remotely approachable by a place-policy strategy which aims for 100% coverage in "low-income areas," despite the very high cost entailed.

However, for the time being, this lesson, if anything, has been learned too well. The current generation of innovators seem wholly wedded to the principle that equal treatment of equals--as realizable (theoretically) by the reform of "welfare"--should take precedence over all other national social policy values. While this is an appealing solution to the problem of targeting ethics,* its concomitant of sharply reduced intellectual interest in the problems and prospects of national place policy is unfortunate. The most sweeping nationalization and standardization of income support for the poor would not solve the problem of national social policy with respect to place. Even apart from the immortality of the pork barrel, the national government would rightly be held accountable for the differential economic and social impact of nationally standardized welfare eligibility and benefits at the local level. No more than an economic-opportunity emphasis can an income-support emphasis get away from the fact that standardized inputs do not produce standardized outputs. The advantage of the income-support emphasis is that the inputs can be standardized more effectively. In my opinion, the social policy literature and debate of the past half decade and more have grossly exaggerated this advantage. Meanwhile, the enduring issues of national place policy have fallen into neglect.

The Forms of National Place Policy

The national objective may be simply stated: to produce desired social and socioeconomic changes in a manner accepted as equitable and within Constitutional constraints. Equitable does not mean equal, of course; the synonym is "fair."

The principal means to accomplish this aim necessarily entail redistributing money collected from the areas that receive it; it has been many generations since external tariffs or the sale of federal lands were a major element in the national budget. However, social policy may also be implemented by selective restraint in the collection of taxes. Revenues foregone by means of these so-called "tax expenditures" were estimated by Stanley Surrey as totaling $38.5 billion in 1970** for the major "subsidies" and Washington is now beginning to keep this type of account in a systematic way. Also, Surrey and others have impressed on the educated public the extraordinary regressivity of income tax deductions as social policy measures. Surrey notes, for instance, that if the elderly could deduct all medical expenditures rather than only those in excess of three percent of income--a measure, he states, that three times passed the Senate--$90 million of the savings would go to persons with incomes over $50,000 and only $8 million to those with incomes under $5,000.* Existing deductions, such as for charitable contributions and for mortgage insurance and property taxes, are equally difficult to defend in this frame of reference, even if one shares Irving Kristol's objection to enlarging the concept of a government subsidy to include "a generous decision by government not to take your money."**

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*I discuss this problem more fully in Chapter VI.

**Stanley E. Surrey, *Pathways to Tax Reform: The Concept of Tax Expenditures*, 1973, p. 13.

In any case, locational differences in impact of foregone taxes pertain primarily to industries rather than to households or units of government, except as a by-product of locational differences in wealth and income; in other words, as a matter of happenstance. The main subject of interest for place policy is thus direct grants, and these are multiform. In connection with the indirect area aid provided by the siting of federal military and other installations, there has long been a program of "impacted area" educational aid, which Presidents of both parties continue unsuccessfully to try to reform.

Beyond this, grants-in-aid proper fund a sweeping variety of federal programs, and their distribution will be discussed in detail in the following section. Grants were and are the pork barrel, the easiest way for Congressmen to endear themselves to their constituents. It is to the point that when President Nixon's Family Assistance Plan was first drafted, and an HEW official objected to the title, "negative income tax," a local wit supplied a new title sheet: "The American Workingman's Anti-Communist National Defense Rivers and Harbors Bill."*** Politically, the grant system is far and away the most effective means to get federal social money out to the boondocks. As Figure 4 shows (on the following page), categorical grants to state and local government account for more than eight times the outlays of general revenue-sharing, which latter is disbursed in accordance with relatively inflexible formulas. Even the area redevelopment program, as modified in 1965, provided funding for so-called "Mink districts," a label that did not refer to fur coats but to the Representative from Hawaii who came up with the idea that states should be permitted distressed-areas aid for one district even if they had none which qualified under the federal formula.

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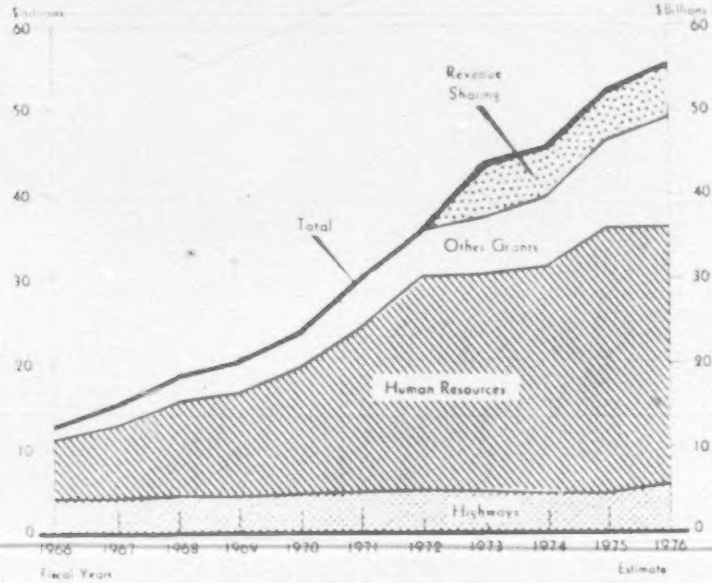
*Surrey, op. cit., pp. 39-40.

**Irving Kristol, "Taxes, Poverty, and Equality," The Public Interest, Fall 1974, p. 15

***Reported in Vincent J. and Vee Burke, Nixon's Good Deed: Welfare Reform, Colorado University Press, 1974, p. 59.

Figure 4

FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS



SOURCE: 1976 U.S. Budget.

Area Redevelopment

Area redevelopment was the first shot of the poverty war. Twice vetoed by President Eisenhower, the ARA was quickly established in 1961. A consensus seems to exist that the Act was a dismal failure--"Total Federal expenditures of $332 million made no noticeable impact on...unemployment in the nation or in the stagnant regions where it was spent"*--but the basic idea of stimulating the economies of depressed areas retained its attraction and produced several kinds of successor projects. And, of course, high hopes were held for the ARA at the start.

It is interesting to track area redevelopment through the prose of the Federal budget. As described in JFK's last budget, the Department of Commerce's Area Redevelopment Administration: "provides a broad range of Government aids to help local communities in chronically depressed areas rebuild their economic base and expand opportunities for permanent employment....By the close of (FY)1964, an estimated 900 areas will have had their economic development plans approved and will be participating actively in the program." At the same time, an emergency public works act

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*Garth L. Mangum, The Emergence of Manpower Policy, Holt, Rinehart and Winston, Inc., 1969, p. 37.

(1963) appropriated $400 million for a more traditional form of aid "to help finance Federal, State and local capital improvements and at the same time to serve as a stimulus for employment in redevelopment areas and other areas of substantial unemployment" This act was allowed to lapse in FY65.

The ARA was, in the familiar budget phrase, "extended and strengthened" by the Public Works and Economic Development Act of 1965. Federal efforts were to be "concentrated more heavily in areas of greatest need, as measured by unemployment and family income," and special incentives were provided for "multi-county development regions which include areas especially suited to serve as centers for broader economic development." In this same calendar year, the Appalachian Regional Commission was established, and the FY67 budget cheerfully reported that "the special development program for the seventeen and a half million people of Appalachia is moving ahead rapidly."

By the late Sixties, the Area Redevelopment Administration had become the Economic Development Administration (EDA) and five new regional development commissions had been created for the Ozarks, New England, Upper Great Lakes, Coastal Plains, and Four Corners. During this same period, OEO's Special Impact program brought together the concepts of incentives to attract new businesses to depressed areas, manpower training in these areas, and the targeting of loan assistance on poor and nonwhite businessmen.

Also referenced under the budget's economic development heading were the Model Cities program, further discussed below; and, in FY71, application of the concept to Indian reservations: "The budget provides for starting a tribal development fund to encourage the initiation and management of reservation development programs by Indians. These seed-money grants would assist Indians in the early stages of their own projects for range and forestry development, commercial enterprises, and other economic activities."

In economic development, as in other areas, the FY72 budget proposed special revenue-sharing: an annual $1 billion fund for rural communities, a $2 billion fund for urban communities. The budget comments:

> "The legislation authorizing area and regional development programs expires June 30, 1971. During the last decade these programs have performed many useful services and in many places have developed plans which will be useful in further economic development. This experience has also proved, however, that State and local governments are in a better position than the Federal Government to determine how their areas can best develop."

The 1973 budget hopefully stated that the regional commissions and EDA activities would be continued until special revenue sharing is enacted, but by FY74 immediate administrative reforms were announced although the revenue-sharing programs were to be re-introduced;

> "The public works and related programs of the EDA are being terminated...in favor of more focused and consolidated efforts to stimulate economic development, particularly in rural areas. The rural development objectives of these programs will be assumed by the Department of Agriculture as part of its activities under the new Rural Development Act, and an approximate increase of 30% in the business loan program of the SBA will assist private investment in economic development.
>
> "Funding for regional planning commissions is being shifted from the Department of Commerce to the Department of HUD.... All major programs of planning and management assistance to States and regions are thus consolidated in HUD. This program will provide funds to States so they may support planning activities, including regional planning commissions if States so desire.
>
> "The programs of the Appalachian Regional Commission will be continued in 1974, with a small reduction in total funding."

In the following year, President Nixon continued to favor reorganization, but President Ford's first budget (FY1976) has no innovative thrust. The programs of the EDA and the Regional Action Planning Commissions are funded at $294 million, but the center of action has shifted to the Farmers' Home Administration, whose grant and loan commitments, pursuant to the Rural Development Act of 1972, are expected to exceed $1 billion. Appalachian development is budgeted at $340 million. Excluding loan commitments, outlays for area development by the Farmers Home Administration, EDA, the regional planning commissions, the Bureau of Indian Affairs, and the Appalachian programs are estimated at $1.4 billion.

Model Cities and the Block Grants Approach

Area redevelopment began by appealing to politically strong rural elements, and became a politically useful balance to a war on poverty that increasingly identified its target as the large cities and the "minority" poor.* Also, while some poverty warriors saw these programs as strictly pork barrel, the idea had a growing appeal as the conviction spread that the many aspects of the "poverty problem" could not be effectively tackled in isolation but only by carefully orchestrated assaults on all at once. Thus what was viewed as a bureaucratic horror a few years later--for instance, the involvement in the Appalachia programs of the Department of Commerce, Agriculture, the Interior, HEW, and the Corps of Engineers--seemed symbolic of an admirable breadth of commitment and expertise in 1967.

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*A number of projects were located in cities. An interesting, highly critical case study of Oakland, California is Jeffrey Pressman & Aaron Wildavsky, Implementation, 1973.

Most attractive was the Model Cities program, authorized under the Demonstration Cities and Metropolitan Development Act of 1966.* As described in the President's budget message (FY67):

> "Public actions to improve poor housing conditions, to upgrade deteriorating neighborhoods, and to tackle the social blight associated with slums too often have not worked to support each other's objectives. The leadership resources of private business, civic, and labor organizations have not been fully utilized in formulating and carrying out the actions needed to preserve for all citizens the human dimensions of city life. I am requesting legislation authorizing assistance to qualifying cities across the Nation to show how complex and intertwined urban problems can be effectively attacked on a large scale through the coordinated use of local, State, and Federal programs."

As enacted, the program provided planning grants, plus supplementary grants to "cover an additional 20% of the cost of projects aided under 10 Federal development programs" (meaning 10 cities), for "the planned development of entire metropolitan areas"; but the main focus of the program was on designated blighted areas within cities. The FY69 President's Message included no less than four separate references to the Model Cities program. At that time (January 1968), 63 cities were using planning grants, and it was expected that 70 more would start in the spring.

Model Cities, however, proved an extreme case of underestimating lead time from planning grant award to project commencement. Estimated second-year expenditures of $150 million became actual expenditures of $5 million. By the beginning of calendar year 1970, the best the budget could say was that: "Some cities have already started to carry out their first-year action programs; others are expected to reach this stage shortly."

Model Cities receives little attention in the Nixon budgets except as one of the programs to be replaced by urban community development revenue sharing. However, the program's momentum made it as difficult to cut back as to build up: projected FY72 expenditures of $70 million became actual expenditures of $500 million, and the estimate for FY74 was $600 million. On the other hand, it was announced that a wide range of urban development programs would not approve new projects in 1974: urban renewal, model cities (decapitalized), rehabilitation loans, neighborhood facilities grants, basic water and sewer facilities grant, public facility loans, and open space grants. These programs, it was said, had tended to undermine the capacity of local governments to respond to the needs of their citizens by "fragmenting local community development strategies"; "requiring Federal approval of local projects, thereby substituting the priorities of Federal bureaucrats for those of the community"; and "providing Federal support through seven separate, narrowly conceived programs, often resulting in funding for a community's low priority projects while its high priority needs go unmet." Thus did the great effort to tackle all the problems of depressed urban areas at once become characterized as a 'narrowly conceived program.'

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*Due to its unfortunate connotation, the name "Demonstration Cities," was quickly changed.

A block grant program, subsuming Model Cities, urban renewal, and five other HUD programs, has been enacted, with funds disbursed on a need formula, large local discretion, and "a minimum of review by HUD," in partial realization of the special revenue-sharing objective. New commitments under this program are budgeted at two and a half billion for FY1976, with additional funds for completion of categorical grant commitments under a "hold harmless" provision of the act.

Thus, between rural and urban redevelopment projects, the budget calls for about $4 billion in federal outlays in the coming year, compared to a high annual outlay of $76 million (in 1965) under the original Area Redevelopment Act. However, the comparison is misleading. For all the nationally encouraged or mandated planning agencies that have sprung up like mushrooms, the current disbursements are very much small-project oriented. Grand thinking, whether of the ARA, urban renewal, or Model Cities variety is neither in vogue nor in practice. Insofar as the huge leap in funding connotes any single development, the development is the massive subsidization of city budgets, although there are also modest efforts to redress the balance of national rural place policy, which had come to construe agricultural productivity goals in a way that affronted the post-1964 emphasis of national social policy on the poor.

An additional $2.3 billion will be disbursed to states and localities on a need formula under revenue-sharing for manpower training, as authorized by the Comprehensive Employment and Training Act, which came into effect in January 1974. Together with general revenue-sharing, this constitutes a total of about $12 billion dollars in proceeds of the federal income tax that are made available to localities with less opportunity for lobbying and Congressional favor-trading and more opportunity for local decision-making than was (and is) true for categorical grants.

As with most reforms, there is probably less to this one than meets the eye. The Department of Labor is said to be keeping closer rein on the use of CETA money than on predecessor programs funded under the Manpower Development and Training Act (MDTA), and the same may well turn out to be the local impression of HUD's programs. As with Model Cities, detailed plans have to be submitted prior to approval of special revenue-sharing outlays. While Washington funds the planning, capabilities to do it satisfactorily vary greatly by locality. Lead time (again as with Model Cities) is further protracted by delays and confusions in specifying what the plans must include. Disbursements under CETA fall far behind target, and, because of recession pressures, advances are made to fund supplements to the separate, temporary public employment program.

Further, apart from growing pains and temporary complications, there is no basis for regarding block grants as a permanent or total solution to the problems of national place-policy. Devolution of decision-making to the local level may equally be seen as devolution of lobbying and influence-peddling. Also, the attractiveness of specific categorical grants is so clear that a moratorium on their creation is unimaginable. A scenario in which their share of the federal social policy pie is reduced for more than five years is a good deal less plausible than one in which the pie expands to restore the size of their slice even if block grants and revenue-sharing retain popularity. Third, there is the troublesome issue of equal opportunity guidelines and, because the poor are so often "minorities," the related issue of local government tendencies to short-change poor people and poor neighborhoods. The mechanisms of block grants can favor poor states, counties, or cities and they can reward high local taxing efforts, but a more active national presence is required to obtain compliance with federal guidelines within these units.

General Revenue-Sharing

In the nineteenth century, revenue-sharing with the states was an occasionally invoked means to rid the federal treasury of embarrassingly large surpluses. This problem has not arisen lately. In the form introduced in Congress by Melvin Laird every year from the late 1950's until he joined the Nixon Administration, the monies returned under revenue-sharing would have been proportional to federal taxes paid. Similarly in the 1930's, Henry C. Simons, who wanted to reduce income inequality by national taxation but was fearful of concentrating too much power on the Potomac, recommended a revenue-sharing scheme in which "every state should receive the same fraction of the revenues collected from taxpayers subject to its jurisdiction."*

While Simons might not have thought so, the logic of a tax-proportional rebate to states would seem to be comparable to that of a rebate to taxpayers, and not so different from not collecting the tax in the first place, considering the ways in which local government is likely to spend such monies. The current revenue-sharing program departs greatly from this simplicity, but its formulas take so many criteria into account that the end product defies generalized description.*

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*Henry C. Simons, Personal Income Taxation, University of Chicago Press, 1938, p. 216.

The major provisions of the State and Local Fiscal Assistance Act of 1972, under which monies are disbursed to more than 38,000 places, are summarized by Bunge as follows:

--Sets aside over $30 billion in federal funds to be distributed to state and local governments over a period of five years;

--Provides for apportionment among the 50 states and the District of Columbia on the basis of population, tax effort, and inverse per capita income; or on the basis of population, tax effort, inverse per capita income, personal income tax collections, and urbanized population, whichever yields the higher amount;

--Reserves one-third of the apportioned funds for state governments, the rest for local units of general government;

--Prohibits the use of any funds in violation of the Civil Rights Act of 1964 or the Davis-Bacon Act,** and forbids the use of shared revenue for the purpose of local matching contributions in other federal assistance programs;

--Requires a maintenance of effort in state-local financial assistance;

--Restricts the use of local operating and maintenance funds to a set of "priority objectives";

--Authorizes periodic auditing and evaluation by the federal government, and requires the publication and dissemination of spending reports to be filed with the Secretary of the Treasury.

The complexities of the apportionment formula express general acceptance of the principles of favoring poorer areas and rewarding high state taxing efforts, together with local interest trade-offs in the Congress. The result is considerably more "redistributive" among states than for categorical grants in aid,*** but state legislatures are at liberty to alter the intra-state disbursement formula, so long as the new formula applies to all localities and remains in force throughout the five-year period. Tracking disbursements by function is so difficult as to raise questions about the desirability of attaching any strings to the use at all. No restrictions are placed on state government--and a sizable part of the states' share has, in fact, been invested in U.S. Treasury bonds--but local government is nominally limited to nine "priority objectives."

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*This discussion is heavily indebted to Paul Bunge, "General Revenue Sharing and the Administration of Federal Grants-in-Aid," HI-2137-P, October 30, 1974. The opinions expressed, while influenced by Bunge's discussion, are my own.

**The Davis-Bacon Act requires union-scale wages on federally assisted construction projects.

***R.A. and P.B. Musgrave, Public Finance in Theory and Practice (New York: McGraw-Hill, 1973), p. 644.

These limits have still allowed a diversity of uses--"Indianapolis built a sports stadium with its money; Chicago spent its funds on police and fire department salaries;...McRae, Georgia fenced in the city cemetery; and Morganfield, Kentucky bought a bulldozer."* However, the Actual Use Reports offer no indication of the shifts within city and county budgets that have occurred. The usual and commonsensical assumption is that revenue-sharing has no long-term effect on the mix of outlays at the local level. Considering that it amoun ts tc only about four percent of the typical recipient government's budget, a legitimate question arises of, "Why bother?"

The proximate historical reasons for "bothering" are clear. Simultaneously with the launching of the poverty war, Walter Heller, Joseph Pechman, and other prominent liberal intellectuals succeeded in making the respectability of the idea of permanent revenue-sharing bi-partisan. (Indeed, one sees articles attributing the whole idea to Heller.) The Nixon domestic program, spawned in reaction against the poverty war's bureaucratic tangles, nicely balanced the Family Assistance Plan, which was to get rid of the "welfare mess," with general revenue-sharing, which was to restore decision-making on social service programs to the local level. This balancing act was calculated to mute liberal fears about anti-poor, anti-black local government decisions: i.e., much of the sting was taken out of these anxieties if, at the same time, Washington was providing a nationally standardized floor under income for the poor.

The failure of the FAP to pass the Congress modifies the equation, although the growth of the food stamp program modifies the modification, as does the nationalization and expansion of public assistance for the old and disabled. Mainly, revenue-sharing has to be appraised as a symbolic response to widespread dissatisfaction with categorical grants. As such, it has been successful, but present discussion of its renewal in 1977 gives no indication that prospects for more substantial funding exist. On this topic, the economizing instincts of the Ford Administration appear to be supported by the limited enthusiasm of Congressmen whose liberal or conservative reservations about the program combine with its limited utility for endearing them to their constituents. Revenue-sharing is the least porky of the pork.

The concept, nonetheless, has intellectual interest extending beyond the centralization-decentralization issue. For example, at an extreme, one may imagine a national role amalgamating the "new federalism" and the negative income tax model of welfare reform into a gargantuan transfer system with no objective except to assure that the tax laws are enforced at the one end and that the right amounts of money reach the right individuals and local governments at the other. The national role, in other words, once the rules of transfer were established, would be purely mechanical. The rationale would be that local places and individuals are the best judges of their particulars of need, and that the function of the national government is to redistribute among persons and places the monetary means to need satisfaction, in accordance with rules that have been approved by the Congress.

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*Bunge, op. cit.

However, economic and ethical objections to mechanical income redistribution among places seem very important to many liberals who shrug off analogous objections to redistribution among individuals. Vice versa for many conservatives. In either case, the type of meddling one opposes is "paternalism," the type one approves is "responsible government." The extreme sketched above caricatures one outcome of balancing these reversed forms of selected myopia, but an approach to this outcome would probably symptomatize a critical failure of national nerve and morale.

Thus, while it may be worthwhile to be watching for the symptoms of this symptom, it is much more important to consider revenue-sharing and block grants as part of a varied overall picture of federal aid to states and localities which presently serves many objectives beyond the redistribution of money.

Grants in Aid: Who Gets Them?

Considering its scale--$46 billion in FY1974, the year I will be discussing--the distribution characteristics of federal aid to states receive surprisingly little attention, and much of what is said is dubious, to put it mildly. For example, a January 6, 1974 article in The New York Times lamented a Fiscal 1973 decline in New York's rank in per capita receipt of federal aid to states. The first cause cited was "an anti-urban bias on the part of both the Administration and Congress." Other factors mentioned were "lack of alertness and know-how in pursuing the federal dollar," and "lack of unity and forcefulness" on the part of the congressional delegations of New York, New Jersey, and Connecticut. Finally, the article quoted a Brooklyn Representative's view that "the expenditure programs are being aimed at the votes necessary to ward off impeachment in the Southern and rural areas." A follow-up article cited Senator Jacob Javits: "Certainly there's a political aspect to it"; Representative Edward I. Koch: "The President made a decision to use Federal funding to either reward voters who have voted for him, or get new support for the Republican Party"; and Representative Ogden Reid: "We will only get more contracts when there is a more united New York delegation fighting for New York's interests, backed by effective leadership from Albany."*

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*The New York Times, January 20, 1974.

Federal Aid to States Over Time; Rank in Dollars Per Person

These perceptions may be tested either by tracking per capita state aid from the Johnson through the Nixon Administration, and seeing which states have fared better and worse, or we may make various comparisons for a recent year. I will first use the former approach, basing my discussion on the spider-web chart on the following page. Written in response to the Times's articles, this discussion deals with the FY1968-FY1970 and FY1971-FY1973 periods,* but FY1974 rankings have been added where appropriate.

The data on the chart may be used to test the following hypotheses:

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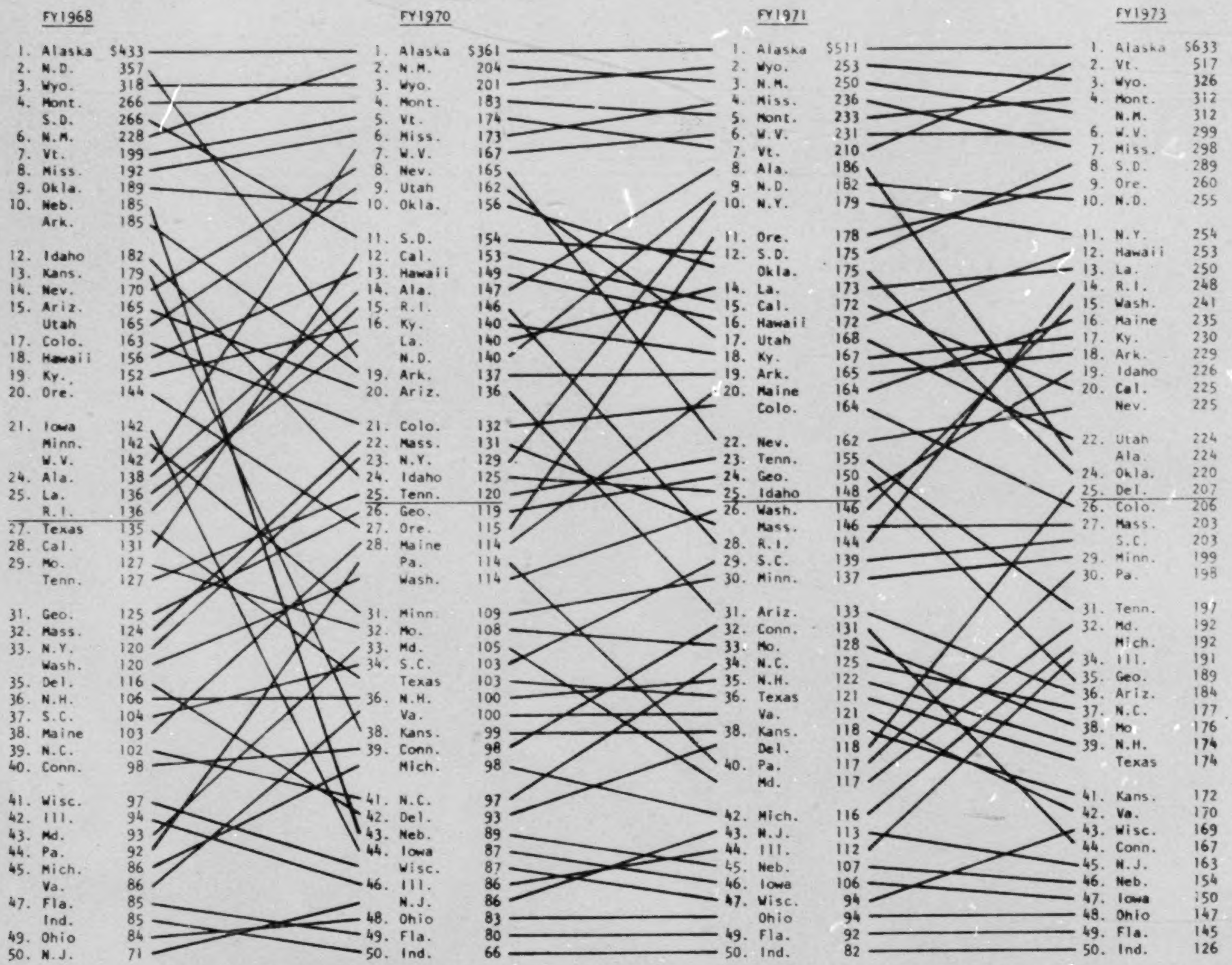
*FY1968 covers calendar period July 1967 to June 1968, and so forth.

Figure 5

FEDERAL AID TO STATES, PER CAPITA AMOUNT AND RANK



FY1968

1.	Alaska	$433
2.	N.D.	357
3.	Wyo.	318
4.	Mont.	266
	S.D.	266
6.	N.M.	228
7.	Vt.	199
8.	Miss.	192
9.	Okla.	189
10.	Neb.	185
	Ark.	185
12.	Idaho	182
13.	Kans.	179
14.	Nev.	170
15.	Ariz.	165
	Utah	165
17.	Colo.	163
18.	Hawaii	156
19.	Ky.	152
20.	Ore.	144
21.	Iowa	142
	Minn.	142
	W.V.	142
24.	Ala.	138
25.	La.	136
	R.I.	136
27.	Texas	135
28.	Cal.	131
29.	Mo.	127
	Tenn.	127
31.	Geo.	125
32.	Mass.	124
33.	N.Y.	120
	Wash.	120
35.	Del.	116
36.	N.H.	106
37.	S.C.	104
38.	Maine	103
39.	N.C.	102
40.	Conn.	98
41.	Wisc.	97
42.	Ill.	94
43.	Md.	93
44.	Pa.	92
45.	Mich.	86
	Va.	86
47.	Fla.	85
	Ind.	85
49.	Ohio	84
50.	N.J.	71

FY1970

1.	Alaska	$361
2.	N.M.	204
3.	Wyo.	201
4.	Mont.	183
5.	Vt.	174
6.	Miss.	173
7.	W.V.	167
8.	Nev.	165
9.	Utah	162
10.	Okla.	156
11.	S.D.	154
12.	Cal.	153
13.	Hawaii	149
14.	Ala.	147
15.	R.I.	146
16.	Ky.	140
	La.	140
	N.D.	140
19.	Ark.	137
20.	Ariz.	136
21.	Colo.	132
22.	Mass.	131
23.	N.Y.	129
24.	Idaho	125
25.	Tenn.	120
26.	Geo.	119
27.	Ore.	115
28.	Maine	114
	Pa.	114
	Wash.	114
31.	Minn.	109
32.	Mo.	108
33.	Md.	105
34.	S.C.	103
	Texas	103
36.	N.H.	100
	Va.	100
38.	Kans.	99
39.	Conn.	98
	Mich.	98
41.	N.C.	97
42.	Del.	93
43.	Neb.	89
44.	Iowa	87
	Wisc.	87
46.	Ill.	86
	N.J.	86
48.	Ohio	83
49.	Fla.	80
50.	Ind.	66

FY1971

1.	Alaska	$511
2.	Wyo.	253
3.	N.M.	250
4.	Miss.	236
5.	Mont.	233
6.	W.V.	231
7.	Vt.	210
8.	Ala.	186
9.	N.D.	182
10.	N.Y.	179
11.	Ore.	178
12.	S.D.	175
	Okla.	175
14.	La.	173
15.	Cal.	172
16.	Hawaii	172
17.	Utah	168
18.	Ky.	167
19.	Ark.	165
20.	Maine	164
	Colo.	164
22.	Nev.	162
23.	Tenn.	155
24.	Geo.	150
25.	Idaho	148
26.	Wash.	146
	Mass.	146
28.	R.I.	144
29.	S.C.	139
30.	Minn.	137
31.	Ariz.	133
32.	Conn.	131
33.	Mo.	128
34.	N.C.	125
35.	N.H.	122
36.	Texas	121
	Va.	121
38.	Kans.	118
	Del.	118
40.	Pa.	117
	Md.	117
42.	Mich.	116
43.	N.J.	113
44.	Ill.	112
45.	Neb.	107
46.	Iowa	106
47.	Wisc.	94
	Ohio	94
49.	Fla.	92
50.	Ind.	82

FY1973

1.	Alaska	$633
2.	Vt.	517
3.	Wyo.	326
4.	Mont.	312
	N.M.	312
6.	W.V.	299
7.	Miss.	298
8.	S.D.	289
9.	Ore.	260
10.	N.D.	255
11.	N.Y.	254
12.	Hawaii	253
13.	La.	250
14.	R.I.	248
15.	Wash.	241
16.	Maine	235
17.	Ky.	230
18.	Ark.	229
19.	Idaho	226
20.	Cal.	225
	Nev.	225
22.	Utah	224
	Ala.	224
24.	Okla.	220
25.	Del.	207
26.	Colo.	206
27.	Mass.	203
	S.C.	203
29.	Minn.	199
30.	Pa.	198
31.	Tenn.	197
32.	Md.	192
	Mich.	192
34.	Ill.	191
35.	Geo.	189
36.	Ariz.	184
37.	N.C.	177
38.	Mo	176
39.	N.H.	174
	Texas	174
41.	Kans.	172
42.	Va.	170
43.	Wisc.	169
44.	Conn.	167
45.	N.J.	163
46.	Neb.	154
47.	Iowa	150
48.	Ohio	147
49.	Fla.	145
50.	Ind.	126

1. Over a given time period, volatility in rank will be greater between than within administrations.

This hypothesis is confirmed:

	FY68-FY70	FY71-FY73
States rising in rank		
At least 4 places	19	10
At least 8 places	11	5
States falling in rank		
At least 4 places	14	9
At least 8 places	7	3

2. Volatility in rank in per capita aid received will be most characteristic of the less populous states.

The data for the two two-year periods compared in the chart refute this logical hypothesis for the states that moved dramatically upward in rank. The following table lists the states that went up or down 8 or more places in the two periods. As will be seen, a number of the most populous states are in this volatile group:

FY68-FY70			FY71-FY73		FY73-FY74	
UP		DOWN	UP	DOWN	UP	DOWN
W.Va.	Ala.*	N.D.	Del.*	Ala.*	Ga.	N.D.
La.	R.I.	Neb.	Pa.*	Tenn.*	Ariz.	Wash.
Cal.*	Mass.	Ark.	Md.*	Ga.*	Conn.	Del.
N.Y.	Me.*	Ida.	Mich.*			
Md.*	Pa.*	Kan.	Ill.*			
Va.*		Iowa				
		Minn.				

*These states moved up or down at least 4 places in the other two-year period. More detailed information is shown on chart.

3. Per capita Federal aid allocations will reflect a Nixon Administration bias against the industrial states.

This hypothesis is conspicuously disproved. As the preceding table documents, no industrial state declines as many as 8 places in either the inter-administration or the most recent period. While fluctuations occurred during the period FY68-FY73, the general picture for the states that contain our largest cities was quite uniform, with one minor exception and one readily explicable major exception:

RANK CHANGE IN PER CAPITA AID, FY68-FY73[*]

N.Y.:	Up 22 places to #11	N.J.:	Up 5 places to #45
Cal.:	Up 8 places to #20	Conn.:	Down 4 places to #44
Ill.:	Up 8 places to #34	Pa.:	Up 14 places to #30
Mich.:	Up 13 places to #32	Md.:	Up 11 places to #32
Mass.:	Up 5 places to #27	Ohio:	Up 1 place to #48
Tex.:	Down 12 places to #39		

Note that, under LBJ, none of these states ranked in the top half, and that only N.Y. and Cal. did so in FY73.

4. Federal aid allocations will favor the southern and border states in LBJ's, compared to RMN's, administration.

5. Alternatively, RMN will use Federal aid allocation to implement his "southern strategy."

Hypothesis #4 is disproved by the data. Between FY68 and FY73, the average change in rank for 15 southern and border states was up 1.1 places. For the Deep South states of Miss., Ala., La., Ga., S.C., N.C. and Va., the average move was up 3.8 places. Comparing FY68 and FY73, the Deep South states moves as follows:

[**]Miss.:	Up one place to #7	Ga.:	Down 4 places to #35
Ala.:	Up 2 places to #22	S.C.:	Up 10 places to #27
La.:	Up 12 places to #13	N.C.:	Up 2 places to #37
Va.:	Up 3 places to #42		

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[*] In FY1974, Connecticut was up 14 places, Maryland down 6, California and Pennsylvania down 4, the others showing smaller mixed changes.

[**] FY1974: Georgia up 15, Virginia up 4, Southern Carolina down 5, Louisiana down 3, others virtually unchanged.

Note that only 3 of these states ranked above the midpoint in Federal Aid per capita in either year. (Four did so in 1974.)

Hypothesis #5 gains circumstantial support from the chart, but the pattern of preferential treatment of southern states (relative to the LBJ administration) is interesting:

RANK OF THE "DEEP SOUTH" STATES IN FEDERAL AID PER CAPITA

	FY68	FY70	FY71	FY73	FY74
Miss.	8	6	4	7	8
Ala.	24	14	8	22	22
La.	25	16	14	13	16
Ga.	31	26	24	35	20
S.C.	37	34	29	27	32
N.C.	39	41	34	37	38
Va.	45	36	36	42	38
Average*	29.9	24.7	21.3	26.1	24.9

*Average for FY72 was 25.0.

To whatever extent Federal aid allocation under Nixon reflects a "southern strategy," awards to the south peaked in the July 1970 to June 1971 period, declining significantly as the 1972 Presidential election approached.

By contrast, per capita rank of the 11 industrial states has shown a much greater tendency to hold the gains achieved under Nixon. Average rank for these eleven states has moved as follows:

FY68 - 39.4
FY70 - 33.6
FY71 - 34.1
FY72 - 31.2
FY73 - 32.9
FY74 - 32.7

6. The acumen or philosophy of state and local government may be the single most important factor in determining rank in Federal aid receipt.

The chart tends to invite this hypothesis. Note that in all four years (and also in FY72) Florida, Ohio, and Indiana occupied 3 of the 4 bottom places. Also, while consistent high rank correlates with relatively low population, it is generally possible and plausible to pair these high-ranking states with similar ones that make a relatively poor or erratic showing:

	FY68	FY70	FY71	FY73	FY74
Vermont	7	5	7	2	3
New Hampshire	36	36	35	39	37
Miss.	8	6	4	7	8
Alabama	24	14	8	22	22
Wyoming	3	3	2	3	2
Colorado	17	21	20	26	29
West Virginia	21	7	6	6	4
Kentucky	19	16	18	17	17
South Dakota	4	11	12	8	7
Nebraska	10	43	45	46	44
Montana	4	4	5	4	9
Idaho	12	24	25	19	14
New Mexico	6	2	3	4	5
Arizona	15	20	31	36	23

The case of Arizona indicates that a large Indian population is not adequate, per se, to assure a consistent high rank in Federal aid per capita.

Conclusion: insofar as the data used for this analysis are reliable indicators, the Federal government consistently did better by the industrial states under RMN than under LBJ, and no counter-trend is evident. RMN also did better by the Deep South states, every year, than LBJ did in FY68, but this trend was reversed after FY71, tending to belie the thesis that Federal aid contributed to "southern strategy" in connection with the 1972 election.

States that radically declined in rank between administrations and have subsequently maintained a rather low rank are the rural Republican states of Nebraska, Kansas, and Iowa. These moved in the four years charted as follows: Nebraska--10-43-45-46; Kansas--13-38-38-41; and Iowa--21-44-46-47.*

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*FY74: Nebraska-44, Kansas-47, Iowa-49.

Some Ways of Looking at the FY 1974 State Aid Picture

In Fiscal 1974, the states ranked in federal aid per capita as follows:

1.	Alaska	$772
2.	Wyo.	355
3.	Vt.	338
4.	W. Va.	337
5.	N.Mex.	328
6.	Hawaii	316
7.	S.Dak.	312
8.	Miss.	303
9.	Mont.	302
10.	N.Y.	285
11.	Maine	278
12.	Ore.	263
13.	R.I.	260
14.	Idaho	260
15.	Utah	259
16	La.	258
17.	Nev.	256
	Ky.	256
19.	Ark.	244
20	Ga.	242
	N.Dak.	242
22.	Ala.	238
23.	Ariz.	237
24.	Calif.	233
25.	Okla.	230
	Mass.	230
27.	Wash.	227
28.	Minn.	226
29.	Colo.	223
30.	Conn.	218
31.	Tenn.	216
32.	S.C.	214
33.	Del.	212
34.	Penn.	210
35.	Mich.	203
36.	Ill.	202
37.	N.H.	201
38.	N.C.	190
	Va.	190
	Tex.	190
	Md.	190
42.	Wis.	182
	N.J.	182
44.	Nebr.	181
45.	Mo.	180
46.	Fla.	171
47.	Kans.	169
48.	Ohio	165
49.	Iowa	156
50.	Ind.	135

For what purposes was this $46 billion in federal aid granted? About 13% went to general revenue-sharing. Thirty percent of the total was disbursed by HEW's Social and Rehabilitation Services (SRS), nearly all of it to public assistance recipients. As a percentage of total federal aid, the "welfare" outlays were: income support = 12%, Medicaid = 12.6%, social services = 3%, and the work training program (WIN) = .7%. The food stamps, commodities distribution, and child nutrition programs of the Department of Agriculture accounted for another 9% of the outlays, and public housing for 2.4%. Overall, cash and "in-kind" support of the poor was more than 35% of federal aid to states, and these figures, of course, exclude the nationally operated programs, mainly social security, Medicare, Supplemental Security Income, and veterans' assistance.

Other programs which accounted for a significant percentage of federal aid to states were those of the Office of Education (7.4%), the Manpower Administration (5.7%), the highway trust fund (9.5%), HUD programs other than public housing (4.6%), and the Environmental Protection Agency (3.5%). Again, remember that these percentages and the total do not include federal payments to individuals (e.g., farmers) or nongovernmental institutions (e.g., the Job Corps centers), nor do they include loans.

Which states did well and poorly in this particular year? The simple ranking provides a very limited answer, even for the person who is mainly interested in how his own state did, and certainly for those who are concerned with national policy. At minimum, we need to consider federal aid per capita in relation to federal income tax per capita. Ranking states on the ratio of these would give us an indication of which states made a windfall and which got stung.

In Figure 6 (next page), I use this type of computation to show how states ranked in FY1974 federal aid per capita compared to how they would have ranked in a perfect downward-redistributive system, which I have defined very simply as one where rank in per capita federal aid is inverse to rank in per capita federal income tax.* By this standard, we see that New York in FY1974 ranked 17 places higher than it "should," while Iowa ranked 18 places lower than it "should." The display is limited to the contiguous forty-eight, since Alaska, ranking 43 places higher than it "should" is clearly a special case, and possibly Hawaii, at 22 places higher than par, is as well.

Obviously, federal aid is not a "system" organizationally. Its disbursements reflect many laws, many agencies, many programs, and many objectives other than (and sometimes inconsonant with) the redistribution of money from richer to poorer states. Thus, while 25 states are five or fewer places removed from what their rank would be in a system that single-mindedly aimed to reduce inter-state income inequality, eight of the ten states ranked lowest in 1974 personal income per capita are below their "expected" rank, the exceptions being West Virginia and New Mexico, with Mississippi and Maine near-misses, while the states that come off better than they "should" include seven of the ten top ranking in personal income.

This general picture could be massaged in many interesting ways--for instance, bringing to bear state and local tax effort, percentages poor, and composition of the poor (age, race, urban-rural)--but I have seen no evidence that such manipulations would change the picture.** As the proportion of federal aid that addresses personal poverty has become the

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*Figure 7, which follows, is discussed later in the chapter.

**Including states' share of federal employment does change the picture, but I have treated this as outside my area of inquiry.

Figure 6

DEVIATION FROM A REDISTRIBUTIONIST NORM IN FEDERAL AID TO STATES FY1974

+17	New York
+16	
+15	
+14	
+13	Vermont
+12	Nevada
+11	California, Wyoming
+10	West Virginia
+ 9	Rhode Island, Oregon, Massachusetts
+ 8	
+ 7	Colorado
+ 6	Montana, Arizona, Washington
+ 5	New Mexico
+ 4	Pennsylvania
+ 3	Delaware, Connecticut
+ 2	
+ 1	South Dakota, Michigan, Illinois
0	Georgia, Minnesota, Maryland, New Jersey
- 1	Mississippi, Maine, Utah
- 2	Kentucky, Tennessee, New Hampshire, Louisiana, Oklahoma
- 3	Texas, Virginia
- 4	Florida
- 5	Arkansas, North Dakota, Idaho
- 6	Ohio
- 7	South Carolina
- 8	Alabama, North Carolina, Nebraska, Wisconsin, Missouri
- 9	
-10	
-11	
-12	Kansas
-13	
-14	Indiana
-15	
-16	
-17	
-18	Iowa

Figure 7

FEDERAL AID TO STATES: DEVIATION FROM REDISTRIBUTIONIST NORM
FY1965

+20	Nevada, Wyoming
+19	
+18	
+17	
+16	
+15	Nebraska
+14	Montana
+13	Vermont
+12	
+11	Oregon
+10	Kansas
+ 9	Colorado, Iowa
+ 8	
+ 7	Minnesota
+ 6	
+ 5	Missouri, Rhode Island, New Mexico
+ 4	Delaware, Washington, Mass., Oklahoma, Utah, Idaho, N. Dakota
+ 3	Georgia, Illinois
+ 2	South Dakota, California
+ 1	
0	New York, Connecticut
- 1	
- 2	Michigan
- 3	Ohio, Maryland
- 4	New Hampshire, Virginia, Arizona, Mississippi, New Jersey
- 5	Pennsylvania, Louisiana
- 6	Indiana, West Virginia
- 7	Wisconsin, Arkansas
- 8	Texas
- 9	
-10	Tennessee, Alabama
-11	Florida, Maine, Kentucky
-12	
-13	
-14	
-15	
-16	
-17	
-18	
-19	
-20	North Carolina, South Carolina

dominant factor in aid to states disbursements, the benefits have gone disproportionately to the poor in the urban, industrial states. The change in mix of programs has benefited the poor states--uniformly they rank higher in per capita aid than at the end of the Johnson Administration--but most of them are not doing as well as they would if the "system" functioned as the inter-state equivalent to a negative income tax. That it should so function is unclear from many perspectives, the most obvious exception being the immediate interest of the poor-state poor.

Looking At a Few States

In order to add flesh to the numbers, it will be useful to look at what the federal money goes for in several particular states. For this purpose, any selection process is arbitrary. I have chosen to look at the extreme cases in Figure 6, New York and Iowa, and also at Georgia, which stands first alphabetically among the four states that rank where they "should" were aid inverse to federal income tax.

Here are some figures on these states' percentages of relevant national totals:

	NEW YORK	IOWA	GEORGIA
SHARE OF:			
Total U.S. pop. (1973)	8.7%	1.4%	2.3%
Total urban pop. (1970)	10.0%	1.0%	1.8%
Total U.S. poor (1969)	7.3	1.2	3.4
Poor under age 18	7.0	1.0	3.8
Poor ages 65+	8.0	2.0	3.0
SHARE OF TOTAL FEDERAL AID TO STATES AND LOCALITIES, FY1974	11.0%	1.0%	2.4%

Turning to particular programs, I find that New York in many cases accounts for much more than 11% of total federal disbursements. Since some of these programs expend many dollars and some few, I also cite in parentheses their percentage of the total federal aid New York receives. New York receives 25% (.1%) of outlays of the federal Corporation for Public Broadcasting; 21.3% (24%) of federal Medicaid money; 19% (.06%) of DOL's disbursements for Occupational Safety and Health; 18.4% (.15%) of federal aid to higher education; 17.3% (5.4%) of Environmental Protection Agency funds; 15.5% (2%) of OEO's support for Community Action Agencies; and 14 and 15% (15% and 4%) of federal funds for income support and social services for public assistance recipients. In connection with this last, one should also note that New York receives a low percentage--6% (5%)--of the combined federal outlays for food stamps, commodities distribution, and child nutrition aid. Overall, these three categories account for 9% of total federal aid to states.

These figures hint that a one-factor explanation has some merit: throw out Medicaid and not only New York but California and Massachusetts subside to a significantly less favored place in the Figure 6 listings. Here are some relevant percentages for these and other big-city states, listed in their Figure 6 order:

	1. % OF ALL FEDERAL AID	2. % OF ALL FED. MEDICAID $$	3. MEDICAID % OF FED. AID TO THIS STATE	4. STATE'S % OF U.S. POOR*
NEW YORK	11.0%	21.3%	24.0%	7.3%
CALIFORNIA	10.0	13.0	16.6	8.0
MASSACHUSETTS	3.0	4.3	19.0	1.8
PENNSYLVANIA	5.0	4.6	11.0	4.5
MICHIGAN	4.0	4.5	14.5	3.0
ILLINOIS	5.0	5.7	14.6	4.0
NEW JERSEY	2.9	2.7	12.0	2.0
TEXAS	4.6	4.7	13.0	7.5
OHIO	4.0	3.0	10.0	3.0

*In 1969. Other percentages for FY1974.

The three-state groupings above represent the "most favored," "somewhat favored," and "disfavored" big-city states in Figure 6. No matter how the figures are processed, New York remains an extreme case--its percent of federal Medicaid money is nearly double its percent of total federal aid, and its percent of federal Medicaid money is close to three times its share of the U.S. poor--but a ranking of these states on the ratio of Column 2 to Column 1 or of Column 2 to Column 4 would change the Figure 6 order by more than one place only for Pennsylvania. These ratios are:

	MEDICAID % / TOTAL AID %	MEDICAID % / % U.S. POOR
NEW YORK	1.94	2.92
CALIFORNIA	1.30	1.63
MASSACHUSETTS	1.43	2.39
PENNSYLVANIA	.92	1.02
MICHIGAN	1.13	1.50
ILLINOIS	1.14	1.43
NEW JERSEY	.93	1.35
TEXAS	1.02	.63
OHIO	.75	.77

These are nine of the ten most populous states in the union. The other is Florida (#8), which receives 2.5% of total federal aid, 1% of Medicaid money, and has 4% of the nation's poor. If Florida's poor were disproportionately elderly, the low Medicaid share which dampens its total percentage of federal aid and helps to give it a -4 rating in Figure 6 might be dismissed in the light of large receipts from Medicare (although many old people also qualify for Medicaid). However, only 21.7% of Florida's poor are sixty-five or older. While this is well above the California (14.5%) and Texas (16.1%) figures, it is slightly on the low side for the other seven big states, which occupy a narrow range of 20.6% to 24.2% with respect to the elderly percentage of their poor. Thus Florida's .25 ratio of Medicaid receipts to percent of U.S. poor may legitimately be compared to Ohio's .77 ratio and Illinois's 1.43 ratio, since each of these states has about 4% of the U.S. poor, and it may more bizarrely be compared to Massachusetts's 2.39 ratio for a low-income population less than two percent of the national total.

It seems that a very few states (or cities) with a longstanding tradition of paternalistic concern for their poor had the infrastructure in place to take full advantage of Medicaid, despite a sliding scale of matching-fund requirements which mean that New York, California, and Massachusetts must foot 50% of their Medicaid bill, compared to 39% for Florida, 30% for Georgia and South Dakota, and 17% for Mississippi. The few states at the top pick up more of the optional programs funded under Medicaid, and they define eligibility more generously. Also, these are the most expensive states in which to obtain medical care. In 1972, hospital expense per patient day was higher only in Alaska than in California ($129.84), Massachusetts ($125.26) and New York ($118.13). By contrast, the low-ranking major states show figures of $89.08 (Florida), $91.18 (Ohio), $81.83 (Texas), and $88.78 for New York's next-door neighbor, New Jersey.*

Since Medicaid now accounts for an eighth of all federal aid to states, a slightly higher percentage than public assistance, its inequities call for much more public attention than they have received. For one thing, they are more stark, since no other federal aid program provides the same type of assistance as Medicaid does. By contrast, public assistance has food stamps as a back-up. While Florida, with 4% of the nation's poor, receives only 2% of federal subsidies for public assistance income payments, it receives 4.6% of all food stamp outlays. South Carolina accounts for .7% of federal public assistance income support, but for 3.4% of food stamps outlays; Louisiana for 2% of the former, 5% of the latter; Mississippi for 1% and 2%.**

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*National Health Insurance Resource Book, 1974 (USGPO). There is one state between the Massachusetts and New York figures, Connecticut, which is $.63 higher than New York. I do not know whether the cost differences have increased since Medicaid came into effect.

**These states account for the following percentages of the U.S. poor: South Carolina = 2%, Louisiana = 3.4%, Mississippi = 3%. Total FY1974 Federal outlays under the two programs were: Public assistance cash payments = $5.4 billion; food stamps = $2.8 billion.

Georgia, which I selected as a state that, by a redistribution criterion, receives the "right" amount of aid, has 3.4% of the nation's poor and accounts for 2.3% of federal Medicaid money, 3% of public assistance cash, and 3% of food stamps outlays. From Georgia's point of view, these three categories account respectively for 12%, 15%, and 11.4% of its total federal aid, compared to 24%, 15%, and 5% for New York, and 8%, 8%, and 9.5% for the "least favored" state, Iowa. The totals, as a percent of each state's federal aid are: New York = 44%; Georgia = 38.4%; and Iowa = 25.5%. While Iowa, like New York, has a smaller percentage of the country's poor than of its population (1.2% vs. 1.4%), it receives a still smaller percent of federal aid to the poor: 1% of food stamp outlays, .7% of public assistance cash, and .6% of Medicaid money. On the other hand, Iowa, with .75% of the nation's AFDC recipients, takes in 2% of federal outlays for the program (WIN) which attempts to equip welfare recipients to work. Georgia, with 3% of AFDC recipients, accounts for 2% of WIN outlays, also. New York, with 11.7% of the AFDC population, spends 13% of the WIN money.

Table 4 indicates the general characteristics of distribution of the federal aid dollar in Iowa, Georgia, and New York, compared to the national distribution. These categories include 96% of all federal aid, and 95% of that received by Iowa, 97.5% of Georgia's, and 99% of New York's. The omitted programs account for fractions of one percent of federal outlays or of receipts by these states. In one of these, the Equal Opportunities Commission, Georgia does not participate at all (nor do any of the southern states, or Maine, Vermont, Utah, or Hawaii). Another small program (.4% of total federal aid) slanted toward rural needs, the development facilities grants of the Economic Development Administration, shows extraordinarily low outlays to Iowa--$378,000--compared to $2.2 million to Kansas, $3.9 million to Georgia, $1.7 million to South Dakota, and $11 million to Mississippi. (Nebraska was the only other farming state to receive less than half a million.)

In virtually no aid category does Iowa's share of federal aid dollars match or exceed its percentage of the nation's population, and its share of the poor consistently exceeds its percent of poverty-program outlays, with the exception that it receives 2% apiece of outlays for the EEOC and the WIN program, each of which amounts to a fraction of one percent of total federal aid. By contrast, Georgia's share of poverty-related outlays tends to fall somewhere between its 2.4% of the U.S. population and its 3.4% of the U.S. poor. Georgia also receives 3.4% of Environmental Protection Agency funds, and the emergence of Atlanta as a major factor in national urban politics is reflected in Georgia's 6% of the Urban Mass Transportation Administration's disbursements, compared to 13% for New York.

Table 4

FEDERAL AID TO SELECTED STATES

	U.S.	IOWA	GEO.	N.Y.
TOTAL AID IN MILS.	$46,040 (=100%)	$451 (=100%)	$1,124 (=100%)	$5,221 (=100%)
Food programs for poor	9.0%	9.5%	11.4%	5.0%
HEW welfare programs	30.3	22.9	32.5	45.0
HEW education programs	7.4	7.5	8.0	7.0
(Elem. & sec. schools)	(2.5)	(5.0)	(4.0)	(3.6)
HUD programs	7.0	6.4	6.7	7.3
(Public housing)	(2.4)	(.7)	(3.)	(3.)
(Urban renewal)	(2.6)	(3.7)	(2.0)	(2.6)
(Model cities)	(1.0)	(1.0)	(1.0)	(1.3)
Department of Transp.	11.0	12.0	11.0	5.6
(Highway trust fund)	(9.5)	(10.6)	(8.6)	(4.3)
(Urban Mass Transp.)	(1.0)	(.3)	(2.0)	(1.0)
DOL: Manpower Admin.	5.7	5.0	3.5	5.0
(CETA)	(2.5)	(2.7)	(2.0)	(1.4)
(Unemployment-related)	(3.2)	(2.3)	(1.5)	(3.6)
Environmental Protection Agency	3.5	4.0	5.0	5.4
Dept. of Agriculture*	1.7	3.0	2.0	.5
OEO: CAP	1.4	1.0	1.0	2.0
HSMHA**	2.7	3.0	2.4	2.0
LEAA***	1.5	1.4	1.6	1.0
Dept. of Interior	1.0	.3	.4	.05
Appalachian development	.6	--	1.0	.4
General revenue-sharing	13.3	19.0	11.0	13.0

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*Other than food stamps, commodities distribution, and child nutrition.

**HSMHA was a conglomerate of HEW's health component, excluding the National Institutes of Health and Medicaid. It is now divided into the Health Services Administration and the Health Resources Administration. Medicaid is included, on this table, in "HEW welfare programs."

***Law Enforcement Assistance Administration.

Change in a Decade

It would clearly be wrong to regard the states as inert beneficiaries or victims of federal aid policies. Regional biases against taking federal money died hard, and are relevant to all three of the states--Iowa, Indiana, and Kansas--that do least well in federal aid relative to their federal taxes. However, the attractive mix of federal offerings has quite clearly become the dominant factor as the total sums dispersed have soared from $11 billion in fiscal 1965 to $46 billion in FY1974. Even the "Birch country" cities of Orange County, California, now find it ideologically acceptable to support a grantsman in Washington.

In FY1965, 37% of federal aid went to highway construction, in 1970 18%, in 1974 11% (or 9.5% if we include general revenue-sharing in 1975 federal aid). In 1965, income support programs including food stamps accounted for $3.4 billion, or 31.5% of federal aid; in 1974 for $12.3 billion or 29% (25.4% if revenue-sharing is included in the base). By contrast, health programs increased from 6% to 18% of total outlays exclusive of revenue-sharing, education and manpower programs from 8% to 16%, urban development and housing programs from 5% to 9%, and environmental programs from 2.7% to 6.5%.* Miscellaneous outlays jumped from 1% to 3%, due to a ten-fold increase in federal payments to the District of Columbia and the institution of the law enforcement assistance program (LEAA).

What to make of this? An under-secretary of DOT several years ago made of it that: "Our categorical grant programs are nearer and dearer to Congressmen's hearts than any other. They are the porkiest of the pork, and Congress guards them jealously."** This is one factor, surely, and it limits the extent to which mechanically redistributive programs can supplant grants in aid, while at the same time limiting the national government's ability to control the incremental federal government upward pressure on total outlays. Also, of course, the national government is divided within itself, with few agencies on as friendly terms with the Office of Management and Budget as with the committee chairmen on the Hill.

Second, we must appreciate Rufus Miles's wry observation (quoted at the start of this chapter) in his excellent history of HEW: "We cannot have, much as we might like it, uniformly applicable national goals, objectives, and performance standards administered with efficiency and economy by state and local governments exercising initiative and imagination to adapt programs to the needs of widely varying constituencies and circumstances."*** While this statement is generally relevant, it is to the point that more than two-fifths of all federal aid emanates from HEW; and that, by Miles's count, more than 200 grant, contract, and loan programs (a different cross-cut from state aid) were in 1973 being administered by fewer than 15,000 HEW personnel, "far less than the 23,000 employed at a single air base such as Kelly Field...."*

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*Education, manpower, and urban development outlays were a slightly higher percentage in some intervening years.

**James Beggs, quoted in National Journal, December 16, 1972, p. 1928.

***Rufus E. Miles, Jr., The Department of Health, Education, and Welfare, 1974, p. 283.

It would appear that federal place policy is inherently characterized by inflationary, uncoordinated instability. Compared to ten years ago, its current status is describable as follows: more than three times as much money, even taking inflation into account; a far greater variety of goodies, and a better balancing of dollars among them; a greatly increased emphasis on urban and poverty problems; a slightly reduced emphasis on income support relative to health and education-training programs (but this washes out if social security outlays are brought into the picture); a slight increase in the income support share and decline in the education, training, and urban-problems share since the early 1970's; and the development of a revenue-sharing segment, 11-13% of the total, the uses of which are largely beyond Congressional or Departmental control.

I have dealt at length with one particular of the decade's changes, Medicaid, in the state where its contribution to "inflationary, uncoordinated instability" is most pronounced. Surely, no one in New York would contend that medical needs of the poor account for 24% of all the needs of New Yorkers that cannot be satisfactorily met with state and local revenues, nor would anyone in the country at large contend that 21% of the national revenues funneled into the Medicaid program should go to New York's 7.3% of the nation's poor. Yet, absent Medicaid, it would be difficult to make a case that New York is advantaged over other comparable states.

But note that this set of big industrial states is comparatively advantaged over others; and that, despite recent reduced funding for some city-focused problems, they have been holding their advantage rather well. Between FY1968 and FY1974, New York's rank in federal aid per capita rose 23 places, Michigan's, Pennsylvania's and Connecticut's 10 places each, New Jersey's 8, Illinois's 7, Massachusetts's 6, Maryland's 5, California's 4. While it may be that Medicaid explains a significant part of many of these gains, this possibility has not been noted in recent White House staff statements that the urban crisis is over, with their obvious hint that federal aid priorities ought to be changed.

A Comment on Planning

At one time, it was fashionable to say that what we need is better planning. This has become a platitude as its extremist supporters have faded away. No one today, for instance, sends such chills down the libertarian spine as did Rexford G. Tugwell, calling for a planned society where:*

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*Miles, op.cit., p. 270.

> "The processes of change are reduced to an order in which the individual, except as a member of the cooperating whole, cannot be allowed to function freely, if at all. Others think out problems which affect the individual."

The succeeding school, exemplified by Robert S. McNamara in the Department of Defense and Elliot Richardson more briefly at HEW, held more moderately, "As paradoxical as it may sound, the real threat to democracy comes, not from overmanagement, but from undermanagement. To undermanage reality is not to keep free. It is simply to let some force other than reason shape reality."**

Accompanying this intra-organizational quest for rationality were and are the regional planners, the area and functional program coordinators. Much of the resulting apparatus is still in place, some of it moribund (some born moribund), but some with the frenetic vitality that goes with having to turn in plans in order to obtain federal money. Planning, like evaluation, has become a politically indispensable appurtenance to the dynamics of federal aid, yet this seems little more than two more cases of the national penchant for commitment to token gestures. As Rufus Miles observed, we want incompatible things; and planning (or evaluation) is less solvent of this dilemma than an instance of it: we want the economy and efficiency that only experts can show us how to get, but, McNamara's views notwithstanding, a democratic polity cannot settle for the experts' answer to the question, "Efficient for what?" much less for their common pretense that the question can be finessed.

Perhaps the best way to look at and for progress in place policy is not from planning but from a complex, somewhat cyclical pattern of responding to new imperatives, redressing evolved imbalances, and fluctuating between unrealistically detailed and irresponsibly slack controls at the national level. In my view in 1975, we probably need to go further along the centrifugal route if this phase of the cycle is to yield us long-term gains in the realization of national social policy objectives. For levels of government as for governments' dealings with individuals, there is a great danger that the dominant effect of massive public spending will be to compound the uncertainties of life and sabotage the basis for rational behavior by frequent, erratic changes in policy that, ironically, are themselves justified by the appeal to reason.

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*"The Fourth Power," a paper delivered to the American Institute of Planners, January 1939. Cited in Robert Goodman, After the Planners, New York, 1971.

**McNamara, The Essence of Security, 1968, pp. 109-110.

A Summary of Issues of Place for Federal Social Policy

We have a national social policy, but we do not have a national legislature. The members of both houses of Congress represent the residents of particular places. A significant part of their responsibility is to assure that these places get a part of the action. One effect is the political necessity that some revenue-sharing or area redevelopment money go to places that do not meet need or tax effort criteria. A second effect is the extreme difficulty of eliminating programs, once enacted. All states and perhaps all Congressional districts benefit from some programs that, from the President's national perspective, should be phased out. But, in order to protect the interests of their own constituents, Congressmen consistently collude with one another to keep such programs in existence.

Thus, while federal social programs shift resources from non-poor to poor individuals, they do not shift resources from richer to poorer states, but the reverse. The poor-state poor receive less than their proportional share of the federal social dollar. At the same time, non-federal tax rates in the poorer states are generally lower than in affluent ones. In relation to their own means, the poorer states do less well by their own poor than others, and this is one reason why they are "gypped" on federal programs.

Except through the courts, the national government has no way directly to affect the rates and forms of state/local taxation. National legislation can incorporate sticks or carrots. Since this has not been done in a comprehensive, consistent manner, we can't say that it doesn't work; but it has not worked to date.

An alternative apportionment strategy would be to disqualify the more affluent states from receipt of federal social-program money.* Since these are also the most populous states, this alternative is impracticable on its face; but, in some measure, it could be approximated by a national income support program with benefit levels at (say) the median level of existing state benefits, with a "grandfather" clause requiring the states above the median to sustain their existing benefit levels at their own expense for the excess. In fact, proposals for welfare reform tend to have this character, although not this objective. That this may make any financially feasible welfare reform unenactable is an interesting conjecture which gains some support from the pro and con alignment that developed over President Nixon's Family Assistance Plan. However, no welfare reform can be expected to supplant the bulk of federal social-program disbursements to states and localities. The irrationalities created by the mix of apportionment criteria require other means of address than this.

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*A thought along these lines is developed in William F. Buckley's Four Reforms (1973).

--Under-Funding

A central characteristic of federal social policy in the 1960's was the proliferation and splintering of grand-in-aid programs for states and localities. This came about in the wake of concerned observations that Congress had become ossified, unable to legislate, unable to respond on social problems. As Paul Ylvisaker noted in a speech in February, 1964, "We are going private with a vengeance. Our 'won't power'--the capacity to veto proposals for public action--is growing more rapidly than our will power. Those responsible for public policy at all levels of government are finding it increasingly difficult to have legislative proposals enacted."*

Within a few years, the reaction against this paralysis had generated so many new programs that none could conceivably attain a level of funding adequate to reach a majority of the target population. At the peak, there were only a thousand Community Action Agencies; at the peak, 160 neighborhood health care centers. Head Start served 435,000 children in 1970; it reached 379,000 in 1974. HUD's housing subsidy programs for moderate income families reached perhaps three percent of families in the $5-10,000 income range in 1970; the older public housing program for the poor has also had very low coverage.

In many cases, initial low funding levels were justified on a seed-money theory. It was built into the Kennedy legislation for community mental health centers, for instance, that federal support would be phased out. The emphasis was on providing plant, and on a brief period of demonstrating the value of an operation. Once the value was shown, the argument went, local/state willingness to take on the funding would emerge. Perhaps, in isolated cases for some programs, this has occurred, but one has to say that the theory has been decisively disproved. Congress is faced with the choice of writing off its investment in plant or of providing operating funds in perpetuity. Funding dwindles (inflation assists this), some facilities go out of business, but outlays in the hundreds of millions annually continue to be made with no better justification than that they continue to meet real needs of certain fortunately situated poor (or non-poor) people.

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*Ylvisaker was the official of the Ford Foundation responsible for the Foundation's "grey area" projects which, together with projects sponsored by the President's Commission on Juvenile Delinquency, provided the prototype of the Community Action Program. The quotation is from Peter Maris and Martin Rein, Dilemmas of Social Reform: Poverty and Community Action in the United States, Chicago, Aldine Publishing Company, 1967 (1973 edition), p. 43.

The argument that it is better to help someone than no one can be dismissed out of hand as a rationale for new grant programs, but it has some appeal in connection with continued funding of existing installations. Further, one can imagine a situation where the country, or its poor neighborhoods, is covered with so many networks of special services that, while no one service reaches more than a small fraction of the poor and near-poor, all eligibles have access to one or more forms of assistance. This is the one way of looking in which it may be legitimate to argue that the escalation of the Vietnam War sabotaged the poverty war. Had Vietnam not interposed, it is possible that the momentum of the poverty war would have developed this "spray painting" effect. Certainly, the reaction against the administrative costs and confusion of the poverty-war programs would have been less intense had the extraneous Vietnam factor not compelled review of priorities within the social policy area.

If there are, as I believe, tendencies toward cyclicality in the evolution of the federal social policy role, one may conjecture that what did not happen in the Sixties will happen the next time around, leading to a further stage of filling in the gaps that could occur gradually over a very long time. However, for the time being, the underfunding issues of place policy cannot be construed in these terms. Except by the relatively few who benefit from them, the diminished programs initiated in the 1960's seem universally to be regarded as an encumbrance and embarrassment. The seed money and large-scale demonstration project rationales have been discredited. The appetite for launching new experiments has vanished. The commanding priority of reform of income support programs is nearly universally conceded. One might even say that there is no issue at all. The Office of Management and the Budget's laconic guideline for the neighborhood health centers--"no starts, no expansions"--can probably be generalized as appearing to most people the best of a bad lot of choices; or as the only practicable choice.

However, it seems clear enough that the issue will reemerge, probably on the basis of a new version of the situation that produced Paul Ylvisaker's observation. The accusation may, again, be that Congress refuses to legislate; or it may be that Congress limits itself (once burned, twice shy) to massive, standardized programs that make no allowance for diversity of need, and no provision for guided innovation and experiment. But it seems a fairly safe bet that this will not happen in the 1970's.

Response Capability

This is the heart of the centralization-decentralization issue, and two components must be distinguished. One is the capability for timely response to changed conditions; the other is the appropriateness of responses. This latter again subdivides, since appropriateness may be judged by reference to conformity to national objectives and values, or it may be judged by reference to variation of local conditions and cultures.

On the first point, it is logical that people on the scene will respond more quickly and sensibly to new problems (or the disappearance of old ones) than will bureaucrats in Washington or a regional office. However, this logic is belied by the bulk of experience. Go-by-the-book mentalities are the norm in local government. Increasing administrative discretion at the local level--or substituting revenue-sharing for grants in aid (or block grants for specific ones)--is probably inferior, for improving quick-response capabilities, to developing contingency plans and educating local administrators in their use in a highly centralized operation. In other words, the need typically is not to allow the local bureaucrats to break with standard operating procedure where changed conditions call for this, but to force them to do so.

Where the need is not for quick but for appropriate response, and this is defined by reference to local conditions, the conclusion is otherwise. Here the limiting issue is the extent to which a localized style and functioning either strays from the intended objective of the program or--most familiarly in the civil rights area--affronts general federal guidelines or objectives.

These generalizations are made with relatively low-budget programs in mind. The issues and hazards are somewhat different for programs that disburse very large amounts of money to very large numbers of people, especially where funding is open-ended, as in the case of cash and in-kind support programs that are means-tested. The usual assumption is that the more centralized such programs the better, but this assumption almost has to be challenged by anyone who takes the time to pause and imagine the volume of openings, closings, and benefit adjustments of a negative income tax program or, for that matter, of the existing food stamp program (which is administered by local offices, and does not rely on the U.S. Postal Service to deliver the stamps). One may confidently predict that the sums budgeted for local "emergency assistance" offices in connection with a centrally administered welfare system would prove ludicrously inadequate, and that the lines extending out the door and around the block from such offices would provide the first scandal following the achievement of "welfare reform." Whether eligibility and benefit determination can be effectively centralized in a negative income tax type program is a question that has been curiously neglected in the literature and debate. At the least, we may be sure that whatever reform is eventually enacted will not foreclose the issue, even briefly.

Intergovernmental Relations

In its brash youth, the poverty war attempted to bypass the troglodytes of City Hall. By 1967, the realities of political life had reasserted themselves. The Model Cities program (like the small-scale precursors of "community action") accepted the necessity and desirability of integrating or coordinating federal and local government efforts. More recently, mayors and governors were prominent among the lobbyists against President Nixon's intention to dismantle OEO's Community Action Agencies. The sheer volume of federal goodies available to state and local government in recent years has lubricated intergovernmental relations to the point where one can hardly imagine a recurrence of the confrontations of the past, but this is more probably a defect of imagination than a sound prediction.

One major issue, exacerbated by the size of federal grants and shared revenues, is the heterogeneity of tax systems among states and their subdivisions. At the sub-state level, variation in yields from the property tax, as this bears on the funding of schools, is currently the principal issue in which the federal government has asserted an interest. The larger issue is suggested by the familiar references to the "superior taxing power" of the federal government. This superiority is two-fold. First, the primary reliance of Washington on income and payroll taxes maximizes revenue gains from economic growth. Second, the progressivity of the federal income tax creates a better base for downward redistribution of income than do the sales and property taxes upon which states and localities primarily rely.

States that persist in refusing to enact an income tax illustrate that "superior taxing power" is not universally esteemed. The cab driver or shopkeeper in such states is likely to tell you that the state will spend all the money it can get its hands on, and the chief beneficiaries will be its own employees. Keeping state and local government straitened for funds is an old American tradition, and its devotees are not merely the rich.

The issue of state/local government salaries and pensions, compared to those in the private sector, may well emerge as a major obstacle to the improvement of social policy. It is a mistake for national thinkers to see this as a local issue. The factor of "local tax effort," in relation to the disbursement of federal aid. has become much more complex than social policy debate acknowledges, because of the growth of militant unionism in government. Rather than being "over," it may be that the urban crisis is merely advancing from a phase of inadequate money to meet mushrooming social needs into a phase of scandalously inadequate return for the monies that are being spent--that is, a new variant on a late nineteenth century problem. Because of the enormous strike power of unions that supply essential public services, and because of the hostility this power can generate, the new phase could prove as violent as the Sixties, in some cities.

The eruptions of slum pathology in the late Sixties were popularly attributed to an abrupt flood of federal money for welfare and poverty programs. It is time now to look more closely and generally at the effects of this flood. To what extent should it be held accountable for deranging the budgetary procedures, the labor-management relations, and the day-to-day functioning of municipal government? What were its effects on state-local and federal-state relations? What are the continuing effects? The formulation of competing hypotheses requires empirical studies addressing these questions. Except in New York, no study of this type seems to have been conducted, yet such stock debates as grants-in-aid versus revenue-sharing must remain superficial in the absence of better knowledge of what the intensive infusion of billions in federal money, per se, has done to the institutions and dynamics of the recipient places.

Essential Rationale

The mission of government has traditionally been construed in this country as to provide socially desirable goods and services that individuals cannot or will not provide for themselves. By extension, the national role has been to perform those functions appropriate to government that cannot so well or at all be performed by the states. The development of an activist national social policy, starting in the 1930's (or, in some ways, at the turn of the century), has greatly expanded on this construction, in particular imbuing it with a moralism which couches policy objectives in terms of national values which states and localities cannot be relied upon to implement.

Moralism remains important today in such areas as affirmative action, abortion, and civil liberties, although it is not currently such a central issue of national social policy as at times in the past. It would be difficult to define historically a moral initiative on the part of the national government that expressed a consensus at the time, yet Prohibition is the only case that comes to mind where the government was subsequently--and permanently--forced to go back on a major moral commitment. By contrast, again and again the government has shown or seemed to show the power to create a consensus on moral objectives. I say "seemed to show" because there is always the possibility that Presidents and Congresses boarded a boat whose destination was already set, but I am not persuaded that this has been true enough to invalidate the basic contention.

Be that as it may, we have acquired a set of consensus objectives of a moral character which we expect the national government to continue to implement. In my final chapter, I attempt to list these objectives and I argue as well for a list of consensus guidelines to their implementation, meaning, by "consensus," propositions upon which four-fifths of the American public would agree. That this level of agreement obtains even on some very specific value-laden statements is attested by the attitude polls; that it obtains on certain general principles--although not necessarily on all Bill of Rights guarantees--may reasonably be inferred.

However, the question of implementation specifics and their appropriate distribution among levels of government and other institutions remains judgmental; one cannot appeal to consensus. At best, certain important considerations can be identified. The first is whether, as traditionally, the national role should be viewed as the last resort. We have slipped out of this way of thinking, tending rather to identify the national government as the pioneer or innovator. I believe that this way of thinking only gained wide currency in the Sixties. The innovations of the Thirties responded to economic catastrophe; Washington was the last resort in a situation with which states and localities patently could not cope on their own.

The permanence of our shift in perceptions seems to be taken for granted, yet, in fact, deep recession has forced the national government back into the mode of responding to events. This posture may also be viewed as the natural consequence of a Republican administration's ambivalence about an innovative social policy role. While President Nixon did indeed innovate, and attempt more innovations than he was able to induce the Congress to accept, his frame of reference was entirely the intent to rectify the mess he had inherited: the welfare mess and the chaotic clutter of poverty-war programs. He did not challenge the principle that unprecedented amounts of money should continue to be channeled via Washington to states, localities, and individuals, but his emphasis was on procedural reforms to a much greater extent than on substantive objectives. Mainly, he aimed for a simpler, tidier system where cost control would be possible and political hazards reduced.

To an extent I find surprising, conservatives as well as liberals have in mind, as the surprise-free scenario for the near future of social policy, a Democratic Presidential victory in 1976 followed by a reversion to innovative national social policies and, especially, renewed attention to the special problems of the poor. In this view, the mid-1960's constitute the projectable norm; subsequent developments are simply a burp on the graph.

Several assumptions about sociopolitical and socioeconomic change underlie this forecast. The first is that the policy developments of the Sixties expressed a law of progress toward a post-industrial society: as we become more affluent and better-educated, we reorient our priorities for the use of discretionary income in the direction of greater benefits to the have-nots. This assumption has variants that substitute ethical mandate for historical law, thereby dispensing with the necessity for further economic growth, but the core belief is either in further growth or in passage beyond a threshold point of affluence.

The second assumption is a law of linear power centralization. It is inevitable that state and local government will become vestigial as power centers. Why this should occur seems to have no theory except that there has been a century-long trend in this direction, occurring in parallel with a trend in the private economic sector (which produced J. K. Galbraith's prescriptive theory of countervailing powers). Perhaps this historical evidence is adequate argument, but there is a tendency here as with the previous assumption to associate inevitability with what one desires or fears.

The imputation of inevitability to perceived trends constricts discussion of national social policy roles. If what is going to happen is preordained in the main, one can only quibble about details. Such a fundamental question as the possible desirability of reversion to state/local funding of certain services now nationally funded becomes a whimsical question when one flatly disbelieves it will ever be raised seriously in the political arena. As stated earlier, even Nixon never dared to make this suggestion, going only so far as to commend some devolution in the authority to determine how a modest amount of national revenues should be spent.

I can claim no source but intuition for my own suspicion that the funding issue could be seriously raised within a decade, possibly with sufficient force to create a branching point in the future history of national place policy. While I do not treat this possibility in my own projections, fearing to tax the reader's credulity too far, the fact is that, when we exclude theoretical possibilities from practical discussion of the rationale of place policy, each exclusion brings the debate closer to sterility. The question of whether national social policy aims might, in some aspects, be promoted by a cutoff or limit on the infusion of federal money--not as a passing punishment for bad behavior but as a policy decision intended to be viewed as permanent and nonpunitive--ought to be taken seriously. Of course, the contention cannot be respected in the absence of documentation that national money has counterproductively affected national objectives, but either this documentation may be forthcoming or the requisite perceptions may develop without solid documentation. Other things being equal, the locality-representative character of the Congress militates against reduction in the flow of federal money to localities, but this is a different argument from historical inevitability.

A third factor in the surprise-free projection is esthetics. Educated Americans, by and large, have always regarded the rationalization of processes as a major sociopolitical objective, but the esthetic appeal of a balance-of-powers construction of this objective has dwindled during two hundred years of non-tyrannous governance. The tendency today is to associate beauty (and progress, and the exercise of reason) with simplification. As an organizational model, pluralism is more commonly viewed as an irksome necessity than with the intellectual and esthetic delight which once found its symbol in the intricate workings of a clock.

However, the two-hundred year comparison may be misleading. Delight in diversity and complexity was, after all, a conspicuous characteristic of the war on poverty in its youth and prime. The shift to a reductionist construction of progress in social policy has something of the post hoc character and the suggestion of faddishness that go with the glib slogan that "the problem of the poor is that they don't have enough money." Again, my intuitions balk at resting discussion of place policy on either the predictive or prescriptive assumption that progress inevitably means something: in this case, a particular style of rationalization of processes.

On each of the three assumptions discussed, my skepticism seems to be somewhat greater than most social policy analysts'; when the probabilities are combined, it is substantially greater. To state the combination, I am not at all sure that the next quarter-century will see a linear progression (even with temporary setbacks) toward centralized, simplified social programs that transfer a rising proportion of our national product to the poor and near-poor. Further, I am not at all sure that educated opinion will consistently favor the centralization and simplification of social policy, or that it will continue to assign as high a social-policy priority to the downward redistribution of income as it does today.

If these alternative possibilities (certainly not predictions) are taken seriously, the frame of reference for "realistic" discussion of national place policy is significantly enlarged. For example, area redevelopment has moved into deep eclipse for a number of experience-based and other reasons--the available funds have to be spread too thin to have an effect, methodologies for vitalizing depressed areas are poorly understood, the influence of uncontrollable exogenous variables is too great, too little of the expenditure directly aids the poor--yet nothing is clearer than (1) that more of the nation's poor live in some places than in others, and (2) that among all social policy objectives, few match and none exceed area development by the traditional appropriateness standard for a national government role. This simply is not a need that one can ask or expect state governments to meet.

Also, precisely because of the complexity of the problem, whether for central cities or rural Alabama, we can hardly expect a permanent dampening of the great intellectual appeal of area redevelopment: its requirement for multi-disciplinary collaborations; its opportunities for the formulation and application of grand strategy and refined tactics. Only the national government can both assemble the talents to work on such problems and the resources to attempt the solutions. Take away the "we tried that" reaction and the assumption that Washington will/should/must move toward doing only what it knows how to do well (and toward greater "efficiency" in meeting the needs or rights of the poor), and the propriety of a major, continuing national commitment to revive depressed areas appears very strong, although its priority is obviously sensitive to conditions in the economy at large.

Not despite but because of the budgetary problems of local government, the long-term propriety of a major national place-policy component of revenue-sharing is much less apparent. Insofar as the objectives of revenue-sharing are within the power of the national government to attain by income transfers, it is difficult to believe that transferring money directly to local governments will be as effective as raising the incomes and spending of low-income people. The latter may not stimulate the local economy and increase the local revenues of government, or it may have this effect in some places and not in others, but it looks like a much better bet to me, although I would like to see revenue-sharing given a full ten years for reasons earlier discussed.

Grants in aid? Perhaps we will not again in this century see such an explosive growth of small scale programs of this kind as characterized the 1960's, but there certainly will be a sequence of innovative projects in areas of the moment's fashionable concern. The inequity of such programs must be a continuing, troubling concern. They cannot be justified as services. If appropriately targeted, they can be justified as an element of depressed area programs. Otherwise, our only recourse is to treat them as research, despite requirements for research that tend to frustrate and demoralize a facility's operating personnel.

This last is an important decision. As Marris and Rein noted, the interests of action and experimental research "are not at all the same. Research requires a clear and constant purpose, which both defines and precedes the choice of means; that the means be exactly and consistently followed; and that no revision takes place until the sequence of steps is completed."* Thus a research justification requires one to go by the book, not to modify procedures on the basis of experience, not to respond to a changed environment. Defending operating facilities routinely as "research" is bad business.

Among the tools of place policy, there remains one more: block grants or, in the Nixon terminology, "special revenue-sharing," for purposes such as education, manpower training, and local housing and development programs. Such grants are somewhat less fungible, and hence somewhat less vulnerable to counterproductive usage than general revenue-sharing. If they are funded at the same level as the specific grant programs they replace, logic says that they carry the same defect of inequity. No alchemy will bring their services to larger numbers of people than the component programs would serve. However, the devolution of decisions to the local level in effect passes the buck on the equity issue. Whether this suffices to commend block grants as a major continuing component of federal place policy is a matter of judgment.

In my own judgment, the multifold increases in federal aid that have occurred in the past decade or so create serious problems of accountability that block grants exacerbate rather than address. The immensity of the flow calls for aid disbursement planning at the national level. It calls for vastly more effective inspections and audits. It calls for attention to the fact that, over this decade or so, the national government's civilian payroll has grown by less than ten percent: in other words, our potential capability for responsible surveillance of the use of national tax dollars has been greatly reduced.

These housekeeping problems deserve top-priority as national social policy moves out of its recession-dictated crisis-response mode. (I make this argument more fully in Chapter IX.) The conflicts between "national" and "federal" place policy have to be regarded and studied as a central issue. Since Congress largely determines what the role of the Congress should be, this is no mean task, but, until we learn to do certain "simple" things well that we are now doing poorly, the hope for successful administration of new programs is dim.

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*Marris and Rein, Dilemmas of Social Reform, 1967, p. 205.

CHAPTER VI

ANTI-POVERTY, ANTI-PAUPERISM, AND ECONOMIC OPPORTUNITY

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> "Traditional welfare programs focus on income maintenance; they attempt to reduce the inequalities that result from the competitive economic struggle, but they do little to change the underlying causes....These programs do not increase the productivity, change the behavior, or in any way improve the effectiveness of the poor in coping with their environment. Nor do income maintenance measures increase the likelihood that children of the poor will be more successful than their parents."
>
> Margaret G. Reid, 1966*

Semantics in Social Policy

Three concepts became entangled in the 1960's. What was called a war on poverty was presented to the public wrapped in the rhetoric of a war on pauperism, and this war on poverty or pauperism was spearheaded by the Office of Economic Opportunity, created under the Economic Opportunity Act of 1964, which did not deal only with poverty or pauperism, but with "low income."

Such semantic confusions, and the hang-ups they symptomatize, are nothing new for social policy. "Pauperism" has long since been banished from the language. "Relief" has been largely supplanted by "welfare," and this once beautiful word becoming contaminated in turn, HEW gave its Welfare Administration the new name of Social and Rehabilitation Services. In 1966, in a pamphlet entitled "Social Policy for the 1970's," then-Secretary of HEW Wilbur J. Cohen expressed the pious hope that "We can--and I believe eventually we will--eliminate the terms 'welfare,' 'relief,' and 'categories' from our government programs. The state public welfare agencies will become Departments of Social Services or Departments of Individual and Family Services."

There are reasons for the worry with words. At a time when most people were poor no matter how hard they worked, the fear of masses of the poor giving up and living at public expense was strong and legitimate. Large-scale immigration reinforced this fear: it was important that foreigners learn to behave like Americans; they must not be encouraged to think that life on the dole was normal and accepted. "Relief" was thus a good word, connoting temporary help, and it stayed in currency long after "pauperism" was discarded, although the welfare provisions of the Social Security Act of 1935 used the more neutral term, "public assistance." Even today, during the 1974-75 recession, the term "work relief" crops up occasionally, and the residual public assistance categories that are locally funded are still called general or home relief in many states. Nonetheless, the idea that long-term assistance is available, and is not a disgrace to those who need it, has long since supplanted the idea of "relief" as official posture, especially at the national level.

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*In Herman P. Miller, editor, Poverty: American Style (Belmont, Cal.: Wadsworth Publishing Co., 1966), p. 210.

One of the words Cohen wished to eliminate was "categories" (female-headed families being the conspicuous offender). Not uniquely in social policy history, this sentiment reverses an earlier crusade. Categorization derived initially from revulsion at the indiscriminate dumping of paupers in the poorhouse or almshouse. Coming himself out of the social work tradition, Cohen by no means intended his remark to suggest that categorical analysis and treatment, as a function of the social work profession, was ersatz; and he certainly did not mean to put down the poverty war, which at the time was dealing in ever more refined categorizations.

However, the reversal was very shortly to proceed that far. What Cohen *did* believe (although some sources say he refused to promote it) was that income support should be de-categorized, responding to income needs irrespective of the sex or age of the household head, or the presence or absence of children. As this preference has evolved, "change-agent" programs and, to some extent, social-work services have been denigrated, typical arguments being: (1) we don't know how to do the things we are trying to do; (2) our bungling efforts generate worse problems than those they address; (3) most of the money ends up in the pockets of middle-class bureaucrats and professionals; (4) feasible funding levels mean grossly inequitable access among those who meet need criteria; (5) such programs are too vulnerable to take-over by radicals and black militants; (6) they concentrate too much power in Washington; (7) they are unavoidably riddled with corruption and fraud; and (8) given limited resources, we ought to concentrate on the things that (allegedly) we know how to do well.

In this shift of fashion, ideological and political considerations were also involved. Many liberals and radicals came to view it as bizarre that we should try to bring the poor and black into the mainstream of a sick society. Also, the legitimacy of the very concept of aid to the poor came under challenge, the argument being that traditional charitable sentiments are inappropriate for people whose relative affluence derives from an unjust and irrational income distribution. The term "negative income tax" was taken off the shelf to signify a noninvidious system of income redistribution. Other terms, such as "children's allowances" and "demogrants," were also promoted in this latest stage of the long-term liberal effort to aid us in changing our attitudes by changing the words we use.

Meanwhile, the Washington pragmatists had discovered that "change agent" programs are politically a hot potato. You cannot dramatically or consistently produce the changes you promised, and you are blamed for any undesirable social changes that occur in the places where your efforts are situated. In belated response to this lesson, the Office of Economic Opportunity was itself recently renamed the Community Services Administration. Lesson learned: even if what you're doing is the same this year as last, calling it "services" is politically safer than calling it an effort to break the vicious cycle of poverty by helping the poor to help themselves.

In short, telling it like it is in social policy keeps getting mixed up with telling it the way we would like it to be, whether this means laundering poverty programs of stigma, preventing them from backfiring on their political sponsors, or hoping that Podunk will turn into Paris if you call it Paris to start with.

The "Poverty War" in its American Cultural Context

Obviously, I do not mean by this discussion to suggest that the "poverty war" failed because of fuzzy semantics, any more than I mean that our medical care system would work better if we stopped calling it a health care system. Nonetheless, the confusion about objectives was real and important. What the public thought it was going to get from the poverty war was economic opportunity programs for the poor, programs primarily directed at unemployed or underemployed workers and at children, programs with a public investment rationale. Listen to President Johnson's message on poverty, March 16, 1964:

> "If we can raise the annual earnings of ten million among the poor by only $1,000 we will have added fourteen billion dollars a year to our national output. In addition, we can make important reductions in public assistance payments which now cost four billion dollars a year, and in the large costs of fighting crime and delinquency, disease and hunger."

Granted, this was an atypically crass form of the pitch. The quotation at the start of this chapter is more representative. But the basic understanding that the taxpayer expects a return on his money--and is entitled to a return--was much more prevalent in 1964 than it subsequently became.

This, be it noted, is a democratic understanding, and to be distinguished from the elitism of both the right and the left. In its construction of "rights," the democratic understanding assumes (unlike the left) the substantial legitimacy of the society, economy, and polity, and (unlike the right) the social desirability and potential for upward mobility among the born-poor. The return it expects from social policy is not merely rising GNP and lower welfare costs, but neither is it merely the satisfaction of seeing to it that the lower classes are well-fed. The appeal of the "poverty war" was more fundamentally to the democratic ideal of equality of opportunity.

Like all democratic ideals, this one can be shot full of holes. Twenty-some years ago, Henry Oliver wryly phrased its materialistic aspect in a way that makes this clear:*

> "If differences in innate abilities are accepted,...the requirements of an equal start are that holdings of property and benefits of formal education and general environment be such that the equal exercise of equal abilities (directed toward money-making) will result in equal incomes, and that the equal exercise of unequal abilities will result in incomes proportional to talents. If equality of opportunity is to be made complete, some system of handicapping for differences in innate abilities must be arranged, so that degree of success is dependent solely on extent of effort...[within] the bounds established by 'fair rules.' He who honorably strives the hardest for dollars wins the game."

Patently, the "poverty war" did not intend the second construction, but merely the removal of certain disabilities to the exercise of innate talents. Also, as Oliver well understood, even thoroughgoing materialists do not see the ideal in this way. If most Americans have not yet forgotten that money is important, none ever forgot that money is important only for the things, including immaterial things, that it can buy.

Nonetheless, it is true that the "poverty war" started out with an exuberantly materialistic construction of equality of opportunity that grated on the sensibilities of many people. Reaction against this emphasis may help to explain the irony that the ensuing flood of federal money to the schools was conceptually dedicated to "black is beautiful" and "the flowering of the individual" to a much greater extent than to the boot-camp basic-training that one might have expected a "war" on poverty or pauperism to employ. Also, for a while, the counter-culture "flower children" vogue spilled over into sentiment for romanticizing the poverty culture. However, this proved a fashion, not a trend. By the turn of the decade, the poverty war's opponents were chiming in unison that the problem of the poor is that they don't have enough money. The Johnson programs were viewed as not materialistic enough.

In any case, the idea that the poverty war was at odds with youth-culture values should not obscure appreciation of its origins in juvenile-delinquency programs and in the general ambiance of an increasingly youth-centered culture. Opportunity policy focuses on the young. A narrow national policy emphasis on the upward mobile partakes of the general callousness of a youth-worshipping culture. While the enactment of Medicare somewhat belies the contention of narrowness, it is probably not coincidence that the Nixon era saw both the fading of youth worship and a shift in social policy efforts which favored the aged and disabled, stabilized federal education subsidies, and greatly expanded food stamps while putting a lid on Aid to Families With Dependent Children.

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* Henry Oliver, A Critique of Socioeconomic Goals, 1954.

However, it is possible to argue that the shift would have been less drastic if OEO had adhered to a narrow construction of its mission, limited to those activities clearly relevant to the agency's name. In fact, there was schizophrenia. An agency nominally committed to widening economic opportunities was simultaneously the spearhead of a war on poverty and the "advocate" for the poor. Not surprisingly, within a year, energies were being diverted to developing master plans to eliminate poverty in a decade. OEO's legal services and Community Action Agencies were making headlines by acquainting the poor with their welfare rights and attempting to shepherd them onto the rolls. By 1967, OEO had started what was to become a set of ambitious field experiments--in urban areas in New Jersey, Pennsylvania, Indiana, Colorado, and Washington, and rural areas elsewhere--to see how the provision of a negative income tax affected the behavior of poor people.

Such activities were defensible for a war on poverty but diversionary, at best, for an Office of Economic Opportunity. On the other hand, even apart from the "kooks and bongos" who got on the OEO staff, the agency's personnel from Sargent Shriver on down were simply not the types of people who could have committed themselves single-mindedly to what may be termed democratic-centrist aims and activities.

The significance of the point is thus for the future, not the past. The transformation of the Office of Economic Opportunity into the Community Services Administration constitutes the rare case where semantic changes in social policy can be defended on truth-in-labeling grounds: that is, the Community Action Agencies which it is OEO/CSA's principal remaining task to supervise are today service, not "action" agencies. Nonetheless, a real Office of Economic Opportunity would be a good thing, especially as a balance if national social policy continues its retreat toward the 1935-64 focus on income support. As an unambiguous national presence in poor areas, a real Office of Economic Opportunity is necessary for adequate expression of the democratic-centrist values that are surely shared by a very large majority of Americans, including the poor.

I will return to this argument in my final chapter. The point to be made here is that, the next time around, we must precisely define the new Office of Economic Opportunity's mission and its place in the larger picture of national social policy; and we must assure that the OEO of the future is led and staffed by people who understand and believe in what they are supposed to do--which will be to conduct those activities which hold promise of reducing indigence and improving the earnings of the poor.

Some General Issues: Methodology and Professionalism

Opportunity programs--whether they aim to educate children, improve mental health, cure drug addicts, develop entrepreneurship in the ghetto, rehabilitate the "hard-core" unemployed, or teach the poor to organize politically--are most commonly scored on the ground of methodological frailty. Inadequate methods, as evidenced by mixed results, have not, however, prevented a rapid growth rate of both public and private expenditures for the services of the helping professionals, nor is there any reason to suppose that the end is in sight. In the essay cited earlier, Wilbur Cohen predicted that in the next decade our sixty schools of social work would increase to more than a hundred, and the number of graduates would triple. In company with the expectation that the numbers of the poor would continue to decline during this decade, this prediction/prescription echoes our post-war experience with education.

As I discuss in greater detail in Chapter VIII, it seems to be a law that advanced industrial societies devote an ever rising proportion of their national product to services and to the quest for what Benjamin Franklin termed moral progress (which we no better than he know how to attain). Of particular interest are our outlays for education, which have jumped from 3.5% to 8% of GNP since 1950. While some of this increase is accounted for by the out-sized baby boom generation, Figure 1 shows that student-teacher ratios declined dramatically throughout the period when this was a factor.* This drop does not reflect a comparable decline in classroom size; an additional factor has been a great increase in specialized teachers for art, music, remedial reading, handwriting, and so forth. As the figure indicates, there is no consistent relationship between these kinds of "progress" and student achievement on standardized tests. To a significant extent the constant-dollar rise in total expenditures per pupil shown in Figure 2 has to be regarded as an expression of democratic values, rather than as a rationally calculated investment in their implementation.

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*Figures and data on education are derived from a to-be-published study conducted by Frank Armbruster, assisted by Paul Bracken and Joyce Lind, as part of Hudson Institute's OEO-funded social policy studies program.

Figure 1

THE NON-CORRELATION OF STUDENT-TEACHER RATIOS
AND ACHIEVEMENT TEST SCORES, 1929-1974

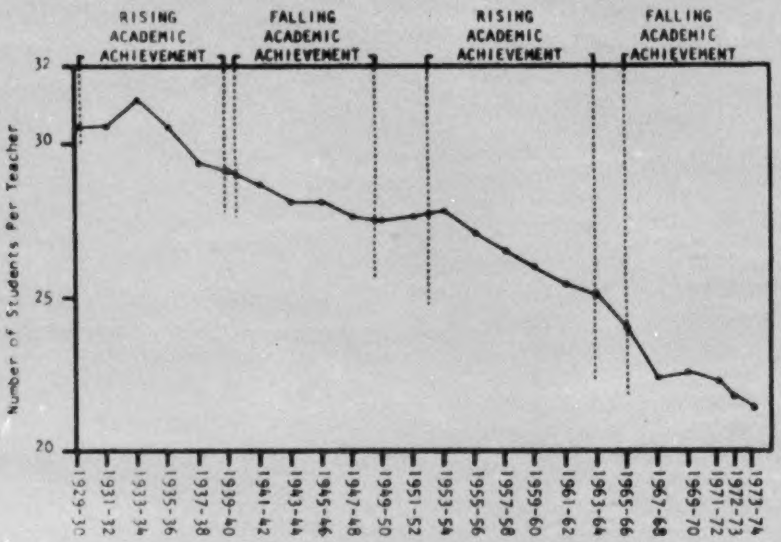
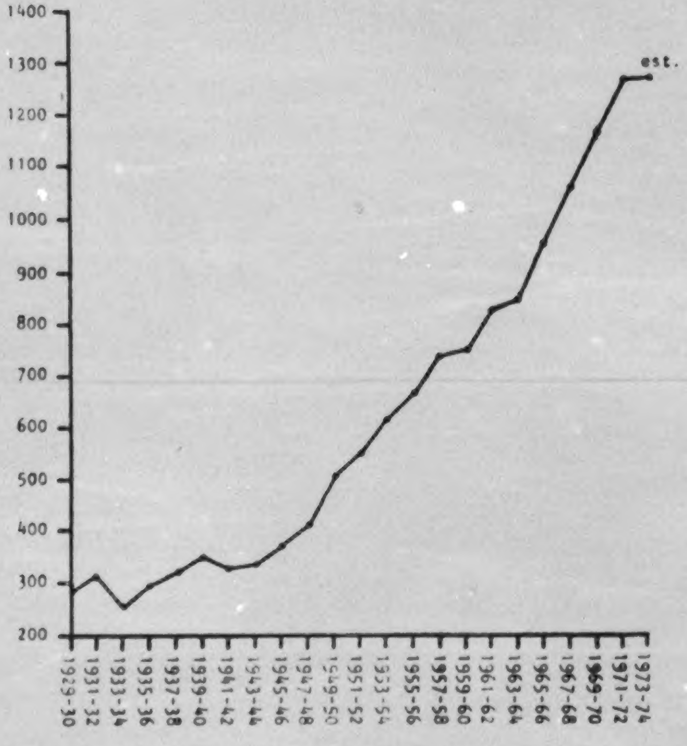


Figure 2

TOTAL EXPENDITURES PER PUPIL IN AVERAGE DAILY ATTENDANCE
IN PUBLIC SCHOOLS, 1929-30 TO 1973-74
(CONSTANT '73-'74 DOLLARS)



U.S. Department of Health, Education, and Welfare, Digest of Educational Statistics: 1974, Publication No. NCES 75-210 (Wash.: G.P.O., 1975), p. 67, table 78

But to some extent, of course, the trend in costs also expresses the increased strength and militancy of organized teachers, and this exemplifies a larger problem. Rising social policy outlays have created an unusual labor-management situation where the professionals, in effect, sit on both sides of the bargaining table, negotiating pay, hours, and work conditions in a context of claimed sole competence to determine what constitutes "quality" education, medicine, etc.

Life would be simpler here, although difficult enough, if the means to all desired social ends were equally good, differing only in price (e.g., if psychoanalysis "worked" as well as filling dental cavities). As it is, public investment confronts wholly different priority-rankings, depending upon whether the referent is the relative importance of various human needs or the relative efficacy of available methods. We insist on using both, often allowing needs or values or wishes to take precedence over capabilities. Also, as laymen (or Congressmen or school boards), we are very unsure about our competence to appraise methodologies. Our uncertainties and insecurities make it a happy hunting ground for professionalism-qua-credentialism in those many areas where "success" is more a matter of art, routine, common sense, or luck than of science.

I sometimes suspect that less harm is done in this world by wicked or narrowly selfish people than by those whose self-interests are cloaked in self-righteousness. This cloak is very effective when laid on by a graduate school and an organized profession. Opportunity policy has to avoid becoming an extension of vocational guilds. This is as difficult in our time as it was difficult in the past for the Department of Commerce to avoid becoming an extension of big business. Obviously, this latter difficulty has not disappeared. The regulated will always try to control the regulators. But the problems of commercial and industrial regulation no longer exist in a reinforcing cultural context. It has been a long time since the middle class favored unbridled economic competition or admired the robber barons who were trying to destroy competition. By contrast, the idea that government should help people is strong in the culture, as is faith in education. The kind of ambivalence that allowed robber barons to get away with murder now benefits specialists who have spent a long time in school learning how to help people (or something).

In the poverty war, the value of professionalism confronted the value of "maximum feasible participation" by the poor. A planning memo from Community Action's precursor in Philadelphia expressed the professionals' position with considerable verve:*

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*Quoted in Peter Marris and Martin Rein, Dilemmas of Social Reform (Chicago: Aldine Publishing Co., 1967), p. 108.

> "The behavioral scientists of the PCCA (psychologists, sociologists, and social psychologists) have spent years learning and applying the method of science to the understanding of the individual and his interactions with others. In any rationally structured organization of this type, such persons hold the prime responsibility and prerogative for 'making the diagnosis' and suggesting a series of alternative courses of action for 'treatment.' Thus we are contending that from the standpoint of professional background, experience, etc., only a handful of persons in our organization can be officially conceptualized as 'planners.'"

The professional's tendency to establish and enlarge his exclusive turf not only obstructs democratic processes. It also sends costs soaring. This has been true in education. It has been true in medicine. The attitudes and interests of the physicians who control most of our hospitals (not to mention non-hospital care) are intimately involved in "the natural law that the cost of illness increases in proportion to the ability to collect for it."* But, unfortunately, this "law" is not the whole story. Professionalism also accounts for specifications for federally funded day-care centers that raise the costs per child so high that a comprehensive program is priced out of sight. We spend less than we could because we can't possibly spend what we "should," a classic case of the military concept of the best being the enemy of the good.**

That these problems are the defects of virtues ought to go without saying. Also, it is true that professional knowledge, procedures, and standards are undervalued and underemployed in some areas, but "areas" pertains much more to geography than function today. We are far from the situation of 1935, when the House Ways and Means Committee removed a merit-system requirement from the Social Security bill because of fear that it would be used to make the states hire professional social workers.***

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*I.D. Robbins, "Health Costs--A One-Way Street," The Wall Street Journal, May 8, 1975, p. 12.

**In 1970, all licensed day care centers and family day care homes had an estimated capacity of about 750,000 children, while working mothers had 6 million children under six years of age. (J.N. Hedges, "A Look at the 4-Day Workweek," Monthly Labor Review, October 1971, p. 37.

***Martha Derthick, The Influence of Federal Grants: Public Assistance in Massachusetts (Cambridge: Harvard U. Press, 1970), pp. 158-9. Four years later, when the Social Security Board appealed again for the requirement, Congressman McCormack of Massachusetts reiterated the common belief that public assistance "should be handled by people of local ability who have knowledge of local conditions and the background and surroundings of the people." This was more polite than Fred M. Vinson of Kentucky's snarl that "No damned social workers are going to come into my State to tell our people whom they should hire."

While it is always open season on social workers in some quarters (e.g., the Nixon White House), the influence, power, and mixed motives of professionals comprise a major set of issues for the future of the greatly enlarged national social policy role. To convey an impression that the "helping professions" are a bunch of largely self-deluded rip-off artists would be impermissable hyperbole if they lacked the means to defend themselves from such slander. But they have the means in such abundance as to constitute part of the problem. The political problems of place policy which I discussed in the previous chapter should not be emphasized to the exclusion of the problems that are posed by people who commonly see their own interests so differently as to genuinely think of themselves as being "above politics." In the long run, as I discuss further in Chapter VIII, the professional seems likely to be subordinated to the manager (as the craftsman was before him), but the prospects for a smooth transition are dim indeed.

Addendum

Of course, the helping professions comprise only part of the personnel problem. When Hudson Institute's grant from OEO was being processed, the local Community Action Agency expressed its unhappiness that the money was going to research rather than directly to aid the poor. The reasons why social policy research is commissioned are no more clear and no less dubious than the reasons why "highly trained" people are hired to perform functions that less costly, less trained people could do as well or better (or that nobody knows how to do). Further, the power problems associated with the organized professions are essentially similar in many respects to those posed by police, sanitation workers, and other service unions. Overall, we have to say that every enlargement of the public service sector multiplies the regulatory problems that derive from the differences between this and the private sector: the absence of the disciplines of the marketplace; the ascendancy of "the public interest"; the lack of any schematic place and value for the pursuit of self-interest.

I have stressed the helping professions because they dominate the scene in the special area of opportunity policy, or change-agent programs. This is the area of social policy where methodologies are poorest, aspirations grandest. It is also the newest area for national government involvement, with a very shallow base of experience for learning from our mistakes.

What seems to have been learned is that the poverty war went overboard in its belief that the mystique of public service could be democratized. Perhaps the rule that "where there's a buck to be made, someone will make it" applies no more to the disorganized poor than to anyone else. Nonetheless, it is painfully clear that the poverty war multiplied the wrong as well as the right sorts of opportunities for the poor. If an ill-policed infusion of money sometimes stimulated "community action," it as often or oftener bred greed, graft, factionalism, resentment, and cynicism.

By contrast, working through organized professions and established institutions means that the whole endeavor of trying to upgrade the poor is civilized and regularized. Accumulated and systematized knowledge and experience are brought to bear. Books are better kept. Objectivity is esteemed. For many purposes, these advantages may be nine-tenths appearance, and often a transparent appearance at that, but the weaker our methodologies the more important appearances are. If we are--and we are--unwilling to deny the national government an opportunity policy role, and if this role cannot be validated by "results"--which is equally clear, responsible conduct of the role becomes largely a matter of procedural probity.

The appearance of procedural probity can be attained by adequate auditing _or_ by dealing only with organizations whose probity is in some way certified _a priori_. The latter looks like a cheap short-cut. Sooner or later we will have to face up to the fact that professionals are no more responsible stewards of our tax money than the poor, but like the poverty warriors we don't want to think about such things now. As a result, the abyss yawns ever wider between the national government's auditing capabilities and the need.

--Auditing vs. "Evaluating"

Note that I am not talking about "evaluation." This we have had aplenty. By 1973, at least one book had been published which tackled the evaluation of evaluations of evaluations of Community Action and manpower training.

Obviously, the assessment of program effectiveness is desirable, but the political, technical, and conceptual problems need to be spelled out. The last of these I will deal with briefly, since I have discussed it elsewhere. Social programs express the society's formal commitment to implement certain values and to try to realize certain objectives. Benefit-cost analyses are irrelevant to such commitments. At most, such analyses may provide the information necessary to choose among forms of organization, methodology, and funding on the basis of specified, quantifiable performance comparisons. They cannot be used to discredit the _policy_ of federal funding for manpower training or pre-school schooling or anything else.

Second, there are the technical problems. A commonly cited issue here is unmeasured or unmeasurable program effects. This issue is most appealing where little children are involved. The contention is made that subsequent academic achievement inadequately measures the effects of Headstart programs or day-care centers. Sometimes other measurable benefits, such as improved health care and hot meals, are cited. Often the argument is couched in terms of less measurable gains: the contribution of early schooling to personality development, the effect of exposure to care and affection on emotional development, the reduction of opportunities for child abuse and neglect. This is the liberal pitch, which favors increased funding, but conservatives who want reduced funding also believe that the socialization effects of pre-schooling are real and important, as Congressional debate has made clear. The unmeasureds here include the subversion of the family and of the mother's role in child development, and the indoctrination of young minds by liberal or radical teachers.

Theoretically, evaluation instruments could be designed that would include indices to many of these factors, but the amount of monitoring that would be required is financially prohibitive, many of the indices would be challenged as not measuring what they claimed to measure, and many of the findings would have to be tentative until the children were at least in their teens. Indeed, even relatively simple evaluations are very costly. Orley Ashenfelter estimates that, at $25 per interview, the costs--for interviews alone--of a desirable sample size for assessing the effect of manpower training on earnings would run to $200,000 for a single race/sex group, and $750,000 if black/white, male/female differences were to be measured--and "There would of course be many other expenses."*

Several other technical problems are worth noting. The first, regarding evaluation of specific facilities, is the difficulty of avoiding two extremes: on the one hand, the doctoring or withholding of information because the evaluator is viewed as a threat; on the other, collusion between evaluator and evaluatee. In other words, there are special problems of data reliability where studies are intended as inputs to funding decisions, or where this is suspected to be so, or where administrators have something to hide (or think they do). Second, it is not clear that aggregate data on a program's performance nationwide are very meaningful. It is in the nature of service programs with imprecise methodologies that personalities and the peculiarities of local situations create a greater resemblance to art than to science. The use of control groups (of which more in a moment) can help to compensate for the variation of problems encountered in one locality, but this does not mean that a facility which has done very well in its particular situation is "better" than one which has done less well in a quite different situation, and it certainly does not mean that the findings for a hundred facilities can be reduced to a single figure, a simple expression of range, or even a formula with a handful of variables.

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*Orley Ashenfelter, "The Effect of Manpower Training on Earnings: Preliminary Results," unpublished paper subsequently presented at AEA and IRRA joint meeting, San Francisco, December 28-29, 1974.

These problems can be illustrated by the case of manpower training programs. By keeping track of a control group--i.e., a group of people similar to the trainees who have not received training--it is possible to determine how well a training center has succeeded in a location with particular labor market characteristics. Typically this is a matter of seeing how many trainees, compared to controls, are working, and at what wages, some period of time after the training is completed. However, the control group concept is not so easy to apply with people as with mice in a laboratory. If there are precisely twice as many applicants for training as there are places, it is possible to achieve random selection of trainees and controls by placing the day's first applicant in the training group, the second in the control group, the third in training, and so forth, but this "ideal" situation does not often exist, and the procedure itself is subject to serious criticism. After all, manpower training does not exist for the purpose of being evaluated. It exists to improve the economic value of the lower part of the labor pool. In a particular place, time, or program, this may mean selecting the least promising applicants, or even snatching people off the street. In another time, place, or program, it will mean "creaming" the applicants on the principle that money is better spent improving the skills of the marginally employable or the technologically displaced than on the hardcore who require "prevocational training," sometimes amounting to personality reconstruction.

Either emphasis--and there are many variants--can be defended more easily than the mindless selection process which is the only way to get an unbiased sample. The result: in many cases, evaluation samples are biased, and findings are suspect.

But even with a good control group, there may be enormous errors in comparing performance from one location to another. Obviously such comparisons have to take into account differences in the unemployment rate and in industry and occupational characteristics. But what about differences in the relationship between a facility's managers and local government officials, local businessmen, the state employment agency, and other poverty programs, including those assigned a "coordinating" role? What about local differences in the existence and attractiveness of alternatives to wage work? These questions are the tip of the iceberg, and my conclusion is that benefit-cost analyses have very little value except to compare program performance among facilities within a city or county, and are rarely worth the money for answering the question of how a program is doing nationally.

This does not mean that there is no way to answer this question or to compare Detroit to Birmingham or Kentucky to South Dakota. It just means that sophisticated analyses probably do not sufficiently improve on simple tallies of costs per trainee or costs per trainee placed to justify the complexities they pose for evaluating the evaluations. Also, it may be argued that too much emphasis can be placed on output. One answer to "How are we doing?" nationally or from one place to another, looks to simple, oldfashioned measures of waste and fraud. Benefit-cost analyses of a sample of facilities are no substitute for checking everybody's books and payroll on a regular basis, or for following up complaints about favoritism, prejudice, "no-show" jobs, and the like in a way that stimulates confidence in government.

Finally, there are the political problems associated with evaluation. These may be inferred from the discussion to this point. The range of findings of evaluations of the various manpower training programs, and the Headstart programs, is dizzying. Even more confusing are the evaluations of the thousand Community Action Agencies, since the objective of these institutions has been very differently construed from one place to another and in the same place over time.

Evaluation data thus are eminently abusable for polemical purposes, and there seems to be no way to avoid this abuse. Complex social programs are simply too complex--and too social. Take HEW's "performance contracting" demonstration projects, which were intended to test the hypothesis that profit-minded businesses could do a better job than teachers at basic skill instruction. No sooner were the negative findings announced then those who wished positive findings not only lit into the evaluation procedures but adduced a conspiracy of the "education establishment" to discredit the concept. Pro or con, evaluations mainly impress the already persuaded.

With respect to manpower programs, Charles Killingsworth notes that European countries which have relatively larger and older manpower programs than ours have not made any significant effort to apply cost-benefit analysis to them, and he goes on to say,*

> "It is perhaps even more pertinent to note that most kinds of public expenditure in this country are not 'scientifically' evaluated by the cost-benefit methodology. It is really an accident of American intellectual history that the concepts of investment in human capital and the techniques of cost-benefit analysis were being developed at about the same time that manpower training programs appeared on the scene. It

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*Unpublished paper prepared for the annual meeting of the Industrial Relations Research Association, San Francisco, December 29, 1974.

> is this accident of timing, plus the voluminous data generated by the new programs, that have helped to focus the attention of the cost-benefit analysts on manpower programs....(W)e are far from the point where we have the data base for judgments as to the relative effectiveness or the utility of many kinds of public programs."

While I am not so sure of the historical accident theory, it seems clear enough that sophisticated techniques of evaluation are themselves experimental, and their conduct should be funded with that in mind. My own sense of appropriate procedural guidelines for opportunity programs is as follows: a tight rein on fraud and conspicuous waste; a running rough tally on simply measured "results"; an auxiliary emphasis on case studies, some longitudinal, to obtain suggestive insights on questions we cannot answer at a national level; and a system of incentive rewards to local program administrators comparable to those that are common in private business. This last, while tangential, is germane in a society presently prone to debunk apparent success and to contend glumly that "nothing works." Surveillance is nothing without measures to support motivation and morale.

--Targeting Ethics

I borrow from others the distinction between vertical and horizontal targeting efficiency of social programs. Social security pensions have high horizontal targeting efficiency: they reach nearly all of those eligible, and eligibility has been extended to cover nearly all of the population that has been gainfully employed. But these pensions, if we view them as aid to the poor, have low vertical targeting efficiency; perhaps two-fifths of the outlays go to people whose incomes would be above the poverty line without this assistance.

AFDC and Medicaid, by contrast, have high vertical targeting efficiency--they benefit very few people who are not poor-but low horizontal efficiency, since the formula of joint Federal-State funding and state and local administration permits great variation in eligibility and benefit levels.

For a third example, federally funded housing assistance and manpower training programs rank low on both efficiency dimensions: for neither has the availability of aid ever remotely approached adequacy to serve all eligibles, while many who benefit were better off to start with (in income or employability) than very large numbers who do not. The same may be said for area and community redevelopment programs, and for "Title 1" aid to schools in poor neighborhoods.

Finally, federally funded demonstration projects may or may not have high vertical targeting efficiency, but they make no pretense to comprehensive coverage. Such programs exempt themselves from the rules by which others are judged, on the ground that their aim is the improvement of knowledge. Thus a program situated (for no particular reason) in New Jersey provides unearned income to a group of poor people for several years in order to observe how this windfall affects their behavior, while experiments in New York, Boston, Chicago, and rural New Hampshire investigate the extent to which two-way visual communications systems can substitute for a doctor's presence at a neighborhood clinic. Programs of these types directly benefit very few people, but are thought to be justified (1) if the information gained is reliable and pertinent to policy and program design, or (2) if the demonstration is suited to large-scale replication, which is mainly a matter of costs. Be that as it may, there is a high concentration of demonstration projects in poor neighborhoods near a few prestigious universities. This raises questions of targeting ethics, as does, for all such projects, the combination of special assistance and its temporary character.

So far as I can see, only food stamps ranks high on both vertical and horizontal efficiency. This goal would be approached by enactment of Nixon's Family Assistance Plan (FAP) or by a more comprehensive formula for income support, such as the negative income tax (NIT). This is, in fact, the main attraction of such proposals: they promise to reach everyone they "should" reach, nationwide, but, given perfect administration, not to reach anyone else.

However, this construction of efficiency is only valid if one accepts the underlying assumption that all of the poor (or all who have children) are the right target population. Otherwise, several other criteria come into play, of which the most important is various forms of the traditional cultural distinction between the deserving and undeserving poor. People who care about this distinction would say that the NIT and FAP have low vertical targeting efficiency: they reach all the people who "should" be reached--the victims of misfortune--but they also reach many others whose low income is their own fault. Additionally, a neutrally administered NIT could be expected to encourage considerable numbers of younger and older workers to adopt a lifestyle of part-time or in-and-out employment. This would be unfair to the family-providers who were paying the bill; it would erode economic productivity; and--so far as the young are concerned--the long-term personal costs of a carefree, government-subsidized, "post-youth" would be harshest for people who lacked college degrees and family "connections."

Because of these objections, Nixon's FAP was designed (like "welfare" today) to include work and training requirements. But this inclusion immediately introduces low horizontal targeting efficiency into a program intended to be comprehensive, since adequate resources for vocational and pre-vocational training, job-placement and job-creation, and child care are simply not practicable. Existing outlays for these purposes are perhaps a fifth of what would be required to give work requirements a high horizontal targeting efficiency.

But inadequate resources must also be considered from a second perspective, since "work requirements," included as a sop to the taxpayer's work ethic, are also work opportunities for those disadvantaged youth and adults who want, need, and can benefit from help in improving their earning power. Many would say then that an opportunities approach, targeting this motivated group, is a better use of limited manpower-training resources and related aids than is a primary emphasis on welfare slackers and cheaters.

This argument that one should concentrate on the best prospects is one form of the targeting issue called "creaming." There is no consensus on whether social policy should target the worst-off or the more promising, but when the OEO was charged with implementing the Economic Opportunity Act of 1964, the position was adopted that creaming is bad: that is, a $3,000 income ceiling was placed on eligibility to participate in OEO programs.

This target was not dictated by the Act. The Act referred to "low income," and a legal opinion was obtained that this could legitimately be interpreted as any income below average. Those who argued for this interpretation emphasized the need to build a strong political constituency. Specifically, the poor communities that were to be served by Community Action Agencies, Headstart programs for pre-schoolers, neighborhood health centers, and other OEO programs were almost always communities in which a majority of residents (e.g., 60% in Bedford-Stuyvesant) had incomes over $3,000, but usually not much over.* These people, it was argued, also need help; they include many potential leaders for community action; and cutting them out is politically insane.

This argument was rejected on the ground that if eligibility were not restricted to the worst-off, not only would resources be spread thinner but the worst-off would get the least. Given choice among eligibles, administrators would "cream." Where "results" were expected (as in manpower training and small-business assistance), they would cream to improve their cost-effectiveness rating. In other types of programs, the desire to deal with and help "nice" people who accept middle class values and lifestyles would be the major factor (as it had been in the past in selecting public housing tenants).

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*This was not known at the start. OEO assumed initially that about 80% of the people in such areas were poor.

To my knowledge, no one has ever disputed this argument. The issue is not whether creaming is common but whether and when it should be prevented or managed. The basic positions are three, and, while OEO started off with the first, it gravitated toward the second:

(1) The target is the worst-off, and eligibility should be co-terminous with the target;

(2) The target is that part of the eligibles who are worst-off; the better-off may be aided if resources permit, perhaps on a partial-payment basis;

(3) The target is that part of the eligibles who are most likely to benefit from training, access to child care, small business assistance, therapy (e.g., for drug addicts), housing assistance, etc.; others should have a lower priority.

These conflicts apply to any "change agent" program. For example, in favoring the Job Corps, you might take Position #1 if you saw it mainly as a way to keep young thugs off the street; Position #2 if you thought (or hoped) it could turn "hardcore" youth into reliable workers; and Position #3 if you saw its potential as real but more modest, and best suited to youth who didn't need their entire personalities reconstructed. For a second example, a businessman interested in hiring slum residents might accept a Position #1 program if his city had just had a large-scale riot; but he would almost certainly move, in time, to Position #3, even if this meant reduction or loss of government subsidies.

In short, no definition of target is noncontroversial, whether for income maintenance or for services; and the number of values one may apply is very large:

1. Need
2. Extremity of need
3. Potential to become self-supporting
4. Conformity to societal norms
5. Special social obligations to helpless children or the aged
6. Fairness to the lower stratum of taxpayers
7. Effect on the upper tax brackets
8. Other possible economic effects
9. Hatred of the rich
10. Political feasibility
11. Program potential as a "change agent"

12. Special concern about cities (and hence the urban poor), or about rural areas (and hence the rural poor)
13. One's own economic self-interest

Obviously, any program will look inefficient (although we may use a different adjective) if one rejects the values that were used in defining the target. And it follows from this that equal treatment of equals cannot be regarded as a basic objective of national social policy.

This having been said, it remains that targeting ethics is an urgently important subject today because of the rapid and uncoordinated proliferation of social programs over the past ten years. The undecidable issue of who ought to be treated as equals is buried under anomalies that have no defenders or defense. Fairness, like the performance issues earlier discussed, calls for treatment as a housekeeping problem. We have got ourselves into a situation where huge expenditures for good ends are so compromised by procedural shortcomings that the entire endeavor is poisoned. Washington has lost its good name in the quarters where it formerly had one without acquiring a good name in new quarters.

Matters of Substance

The remainder of this chapter consists of two extended essays and three brief ones. I discuss at length four unsettled policy areas relating to our commitment to the children of the poor; and, also at length, the issues of human resource allocation that, in my opinion, have to be addressed before medical care can make its appropriate contribution to opportunity policy. I deal more briefly with manpower issues, which I place in a larger context in Chapter VIII, and with the poverty war's efforts to improve the legal and political power of the poor. Finally, I summarize what seem to me the major conceptual issues of our continuing efforts to improve the upward mobility of the disadvantaged.

Social Policy and Children

There are only four ways to reduce the numbers of the poor, other than changing our definition of the poverty line. One is to raise their mortality rates. A second is to reduce their birth rates. The third is to raise their incomes. The fourth is to raise their earnings.

The Catholic Church would have us believe that reducing the birth rates of the poor by means of abortion is morally equivalent to increasing their mortality rate. At the opposite end of life there is also controversy over active and passive means of euthenasia, and these questions, as I note in Chapter IX, oppressively burden a public sector that makes no claim to possess a direct line to the Deity. However, past early infancy and prior to helpless old age there is no issue. Here there are only two possible means to reduce the numbers of the poor, or to make the very poor less poor, and our national government has now been exploring these means for forty years, with a great acceleration of effort and outlays in the past fifteen.

If anything has become noncontroversial in that time, it is that children are deserving whatever the sins of their parents. We may quibble about the details, and we differ from most advanced industrial countries in lacking a system of children's allowances, but it has become a central postulate of social policy that the sins of the fathers should not be visited on the young.

Prerequisite to this development was a cult of the child that European visitors noted early in the nineteenth century, if not before, and that was formalized in the 1890's by a popular literature that heralded the coming Century of the Child. But that century had already started, albeit erratically. The usual modern view of a laissez-faire Gilded Age ignores the truly colossal efforts to get children out of the poorhouse and into "scientific" orphanages or, better yet, foster homes. In California and New York in 1890, one in every hundred children was in a charitable institution. For New York City, the figure is a startling one in 35.* While these are exceptional cases, the care of orphans and half-orphans was a major governmental concern in most northern and midwestern states, with efforts extending to the better supervision of foster homes, "day sanitoria for feeble and sick children," day nurseries and kindergartens, boarding schools, and the "country week," ancestor of the Fresh Air Fund.

The fundamental change in attitudes, in short, had occurred much earlier, although there is no question that a fundamental change occurred. In 1547, an English statute provided for the compulsory indenturing of beggar children to the age of 20 for girls and 24 for boys, and it further provided that any child so placed who ran away "may be taken again, and punished in chains or otherwise, and...be used in all points as a slave for the time above specified." The master or mistress in such case was empowered "to let, set forth, sell, bequest, or give the service or labor of such slave child to any person or persons whomsoever he will." Should the child injure the master or mistress in resisting their corrections or otherwise, it is "to suffer the pains of death as in case of felony" or else, if any person were willing to take him, to "become to such persons slaves for life."**

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*Homer Folks, "Removal of Children From Almshouses," 1894; reprinted in Children and Youth, Arno Press reprint, 1974.

**Cited by C.R. Henderson, "The Relief and Care of Dependent Children," 1901. In Children and Youth, Arno Press, 1974.

But this was another universe. Well before 1900 there had occurred the shift of responsibility for a child's actions from the child to the adult and to the society's institutions. Insofar as the turn of the century was a period of transition, the transition was between perceptions of institutions, not of children. It had to come to be *believed* that factory work was different from farm work: in the crudest sense, that while child labor for long hours on a farm might produce good farmers, the same formula applied to the plant or mill produced inferior adult factory workers. It had come to be *believed* that New York City's Infants' Hospital did not have to have a mortality rate in excess of 95% before anything could be done about it. In a period of truly rapid change--ours is stagnant by comparison--the social and ethical significance of any particular fact could not be apparent *a priori*. The context had to be defined.

We live in the after-aftermath of this definition process. While it is possible that some of the basic decisions we have made will be unmade or transformed in fifty years, one might almost say that children are an uninteresting subject today by comparison to their role in social policy debate in the past. This relative disinterest may be partially attributable to boredom--hasn't everything been said many times that there is to say?--and it also is a logical accompaniment to disaffection from change-agent programs. Christopher Jencks's elegant demonstration in *Inequality* that schools don't teach anyone anything probably could not have been written, and certainly would not have been read, in the early 1960's. *Why Johnny Can't Read* was a very different kind of book.

But if there are few burning issues, many are smouldering at the edges. If it is a good bet that our basic policies with respect to children will experience no major discontinuities in the next twenty years, this does not mean that incremental decisions are unimportant or that we cannot pass branching points, perhaps without realizing that we have passed them. So it may be well to try to take a fresh look at some old topics.

--Family Planning for the Poor

We can reduce the number of poor families by inducing the poor to have fewer children. Further, if there are fewer children, it is easier for mothers to work, and this will raise additional families out of poverty.

But obviously there is more to the matter than this. Some people want large families. One objection to our poverty-line formula is that it assumes out of hand that children are liabilities rather than assets, costs rather than consumption items. A fascinating recent study of 500 New York welfare families indicates that 39% of the welfare mothers were not resigned or unhappy but pleased about their most recent pregnancy.

Among the women who were not married at the time, the figure was 38%, including 50% of the Hispanic and 27% of the black recipients.*

This problem may be lessened, but it hardly disappears if we extend income support to families with the father present. To what extent should the public be asked to support someone's preference for a large family? One may nearly predict that welfare reform will make this question an issue, in view of the general disrepute of large families in today's culture, and the dominance of large family size as a cause of incomes below the poverty line for husband-wife families. Objections to aiding such families may be couched in terms of fairness to the taxpayer of similar income who is not "poor" because he has restrained his macho urges, but also in terms of obstructing the rural-urban cultural transition. At the turn of the century, when the Dillingham Commission attempted to estimate completed family size, middle-aged women, native born of native parents, living in the urban areas surveyed, were found to have averaged about two and a half children, little higher than today's average. First and second generation Italian and Polish immigrant families had very large families; but today these ethnic groups have fewer children (and higher incomes) than the national average.

This transition reflects the lack of economic value of children in the urban setting, but its importance may be argued also in terms of the interests of the child, his right to a good start in life, the unhealthiness of overcrowded urban housing, and the handicap that the rural tradition of taking teenaged pregnancies lightly imposes on the economic future of young girls. The other side is held down partly by the residual sentimental appeal of the successful large family (money is not the most important thing in life), partly by a sense that raising a large brood is more rewarding than most available jobs for women with limited skills, and partly by the beleaguerment psychology of minorities (e.g., family planning clinics are "instruments of genocide").

As it happens, the birth rate has been falling faster among the poor than the non-poor--by 21% and 16% respectively during the Sixties--and faster among blacks than whites. While extraordinary numbers (close to half) of all black babies are illegitimate, this rate too is falling, despite the retarding effect of "welfare." The rural-urban cultural transition still works, if one has patience. Among the 500 New York welfare mothers surveyed in the Bernstein study, 60% came from families with five or more children, but only 21% have this many children themselves, and a majority have only one or two children living at home. While many of these women will have more children, they will not have that many more.

The question for social policy is the extent to which it should try to accelerate urban acculturation and try to limit family size among the rural poor. Four methods are available here: economic incentives or penalties, contraception, abortion, and sterilization. While some European countries and Canada have begun to experiment with governmental economic incentives to keep families small, it seems improbable that these will show any clearer results than earlier programs with the opposite intent. As for penalties for large families, these can be applied only to welfare recipients in countries that lack children's allowances, and they invite the ethical objection that they punish children for the acts of parents. The U.S. Supreme Court has apparently ignored this objection in allowing Maryland to place a ceiling on welfare payments, but I would expect a different ruling if a state placed its ceiling low enough so that a family with (say) four children received no more than a family with three. Where the ceiling only comes into effect for very large families, it can hardly be expected to have any effect on the numbers of the poor. In general, fiscal policy--whether incentives or penalties--can be regarded as an unimportant means for limiting family size.

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*This study was conducted by Blanche Bernstein under a grant from the office of Economic Opportunity administered by Hudson Institute.

Not so for contraceptives. The only remaining important controversy here--apart from the "genocide" accusations--has to do with providing devices for "sexually active" teenagers, and public opinion on this is probably somewhat in advance of actual practice. The idea that a young girl should pay the penalty for her sins has become objectionable in parallel with challenges to the concept of sex as sin, and I know of no reason to conjecture that these trends will soon reverse. One may argue persuasively that we will see a cyclical return to somewhat higher birth rates, but the fundamental dissociation of sexual pleasure from procreation appears as solid as the industrial era's dissociation of work from the possession of the work product. The Catholic Church has clearly lost out on this one: younger Catholics are about as likely as anyone else to use contraceptives. With the possible exception of race, the remaining variables of significance cannot be construed as posing ideological barriers to vigorous government action.

And certainly much more can be done even in the area of education. It is a myopic liberalism which objects to flat-out indoctrination of the young with the principle that it is immoral to have babies when you can't afford to support them. Sex without contraceptives is not a victimless crime. To make this point forcefully and to make contraceptives readily available to all teenagers in areas with high rates of illegitimacy is, in my opinion, a sine qua non for sane social policy with respect to the poor.

On the issue of abortion, the first point to be made is the relevance of the sentence immediately preceding. Beyond much question, the need for abortion reflects the society's failure more than the individual's. The more money we put into the dissemination of contraceptive information and devices, the greater the reduction in situations like that in New York, where, after abortion-law liberalization, there came to be half as many abortions as live births, with some women now returning for their third or fourth.

No one could call this desirable, but efforts to limit abortions directly are so blatantly class legislation in effect as to be unjustifiable except for the minority who are genuinely unable to distinguish abortion from cold-blooded murder. That legal abortions should only be available to the affluent is surely indefensible. I am hard-put to think of a more indecent measure seriously proposed in the U.S. Congress in recent years than to deny Medicaid payments for abortions.

To pursue contraceptive policy with the aim of eliminating 80% of the demand for abortions in ten years would be the rational and responsible course, and I do not see that the objective is unrealistic so far as the target population is concerned. This is not India. But the polarization of articulate opinion may mean that the aim is not politically realistic. A dialogue between people who talk about the right to life and people who talk about a woman's right to control of her body is impossible. That this is the politically effective alignment today seems clear. The solution is not a middle ground--I cannot see there is any such thing--but a reformulation on which a sufficient number of current antagonists can concur.

If this does not happen, if we are swung one way and the other by acts of Congress and court decisions, without a serious commitment to reduce unwanted conception among the poor, the entire forecast for opportunity policy is seriously compromised. Therefore, let me assume it does happen, since, wanting it to happen, I cannot responsibly ignore the problems that are likely to ensue. I refer to the distinction between voluntary and involuntary acts, with reference to both abortion and sterilization. In our past, sterilization of "defectives" was accepted, if controversial. (Keeping the sexes separated in the poorhouse was accepted and noncontroversial for a good many decades.) If a strong policy promoting contraception has the desired results, the effect will be similar to that which has accompanied the extraordinary decline in infant mortality in the past fifty years. The fewer the infant deaths, the more specific and personal are the reasons for those that occur. By the same token--and the two processes are obviously related more than analogically--the fewer the numbers of super-fecund women, the more we will see their "problem" as rooted in personal traits. At the extreme, there will be a residuum of women who have a baby nearly every year from the time they begin to menstruate. Generally, these will be women of subnormal intelligence. Often their retardation will appear hereditary. Often there will be a family history of welfare dependency, and of exceptional infant mortality.

Such cases exist today, but so long as large population groups have sharply different birth rates they are lost in the mass. Unless we experience a new wave of rural immigrants, our history says this will cease to be true. While a new generation of mainstream Americans may decide, on average, that three children are more fun than two, very large families will cease to be explicable on racial, ethnic, or religious grounds. They will seem eccentric among the nonpoor, pathological among the poor. So far as the indigent poor are concerned, the propriety of the urge to do something about the problem will increase.

In today's cultural climate, articulate public opinion is scandalized by stories of involuntary sterilization of poor black girls or women in the benighted South. In another generation or two, normal demographic trends are likely to alter perceptions so that requiring a welfare mother to be sterilized after the fourth birth will seem an enlightened policy: i.e., in the best interest of the children and the mother herself. Many will argue it should be done after the second or third.

If we set ourselves the objective of reducing the conception rate to the maternally desired conception rate, and if we pursue this objective intelligently, this change in perceptions will be accelerated. The stereotype of the super-fecund woman will cease to be black or Spanish. It will become medical. To inquire whether we "ought" to hasten the process which has this effect is something like inquiring whether we ought to reduce narcotics addiction to the point where the large numbers of mentally healthy, peer-emulative black youth who now get hooked on heroin no longer obscure the underlying hard core who take to drugs because of serious emotional disorders. In both cases, contrary arguments can be made. Large families, like legal narcotics, may be seen as a way to keep the poor quiet. Both may be defended as comforting and amusing people who have no socioeconomic value. But the analogy is also misleading, since no one today proposes prohibition of large families. The proposal is to increase the awareness and reality of alternatives for those who are likely to have large families unless this is done.

As for the troubling problems that success in this area forecasts, my own reaction is that premonition of them can serve the function of sharpening our concern about the many already present--and troubling--manifestations of our modern cultural tendency to medicalize forms of behavior perceived as socially deviant, rather than to regard them as criminal or sinful. To render a welfare recipient barren because she is deemed mentally defective or has already borne her permitted quota of children is not merely an authoritarian act that is not acceptable today; it is also hardly more dubious than acts that are acceptable today, such as indeterminate (sometimes life) sentences--pending "rehabilitation"--for ordinary criminals or for people the society deems mentally ill.

--Protection of the Child Against the Parent

A second unsettled issue regarding our society's commitment to children is the extent to which the protective function may be exercised in defiance of parental wish. At one time, fathers were conceded life-and-death powers over their dependent children. The erosion of this authority has proceeded in company with the erosion of the wife's status as chattel, but it has not proceeded so fast for obvious and surely permanent reasons. Because of these reasons, while much is made today of the "rights" of children, it is only for older children and those accused of crimes that even the American Civil Liberties Union intends by this term the right to treatment as a first-class citizen. No one proposes an Equal Rights Amendment for ten-year olds, much less three-year olds.

The major modern development in the area of children's rights does not involve the parents but the proceedings in juvenile delinquency cases. Within the past decade the federal courts have determined that juveniles accused of crimes are entitled to due-process protection, meaning prior notice, legal counsel, the right to confront and cross-examine sworn witnesses, the privilege against self-incrimination, and proof beyond a reasonable doubt before conviction. As a recent article in *Public Welfare* notes, the ramifications of these decisions "have carried over into neglect, dependency, and incorrigibility cases as well."[*] While this does not necessarily mean that the child's rights are set against the parent's more decisively than when the social worker's word was (as it often still is) treated as much more than an expert witness's testimony, it has some potential to have this effect. The reason is historical. For generations, social workers have been doing penance for the *hubris* of professional forebears whose idea of saving children overemphasized removing them from unhealthy home environments. The apathetic products of orphanages and the abused and exploited juvenile victims of the "placing out" system produced an enduring emphasis on keeping families together. Mothers' pensions, the state-funded predecessors of AFDC, had this explicit purpose.

I was present when one of my colleagues, some years ago, proposed residential schools for areas with high rates of drug addiction. I vividly recall how a judge, raised in the family-saving tradition, recoiled in horror: "We've been trying to get children *out* of institutions for fifty years!" If only because the alternative *is* so costly, this policy emphasis is likely to outlive recollection of its historical origins, but the increased importance of legalistic conceptions of children's rights can still adulterate the influence of the social work tradition. (Let me cite another judge: "Social workers, like all humans, are sometimes prone to incompetence, laziness, and even bias, and it is the duty of counsel to guard his client against the consequences of such inadequacies."[**])

To the extent that the social work influence is diminished, we lose a voice for family-saving that rests on casework knowledge as well as professional theory and indoctrination. Decisions come to be made by those who have seen the child first-hand but not the family situation; by those who have seen this case but lack breadth of relevant experience; and by those who have seen neither child nor situation and base their generalized decisions and designs on abstract reasoning.

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[*] Cynthia Bell and Wallace J. Mlyniec, "Preparing for a Neglect Proceeding: A Guide for the Social Worker," *Public Welfare*, Fall 1974, p. 26.

[**] *Ibid.*

As suggested above, increased separation of children from parents is an improbable consequence, but lesser assaults on parental right seem likely to occur. To my knowledge, no one has ever tapped public opinion to determine what parental right is generally thought to be. Should this be done, I suspect that near-total confusion would be revealed. It may be worthwhile to list some of the questions that would be raised:

--What rights should natural parents have vis-a-vis foster parents?

--What constitutes actionable parental abuse of a child?

-Physical abuse? (What about dispassionate corporal punishment?)
-Psychological abuse?

--What constitutes actionable parental neglect?

-Should definitions of neglect be modified for (e.g.) Christian Scientists?

--What standards of child-care should be expected of mentally retarded parents?

--What are the limits to parental authority over adolescents?

-What about economically dependent, "of age" college students?

--Is child abuse concentrated--or merely more visible--among the poor?

-If the latter may be true, should this affect public policy? How?

None of these questions has a noncontroversial answer. Indeed, all would be hard for most individuals to answer--and to stick with simple answers in the face of challenges. It is much easier to say what is likely to happen than what should happen, and I will limit my remarks primarily to these speculations.

First and foremost, most government action will continue to be directed toward the poor, not because they have a monopoly of child abuse and neglect, but because the poor from time immemorial have played this kind of role in relation to the guardians of morality; because they lack the clout to object to playing it; and because our general tendency to a double standard in social policy shows no signs whatever of reversing. I mean by a "double standard," first, that the poor-qua-poor are entitled to gifts from the government for which no one else is eligible. Projecting current enlightened sentiments, one can concoct a reductio ad absurdum in which a wholly impersonal mesh of positive and negative taxes not merely makes the poor the only Americans in history to realize a net gain from their transactions with the IRS, but requires them to falsify their income statements if they don't want the gain. Second, the poor are singular in that a host of government programs for which they are eligible, and which they need, are perennially funded at levels which restrict benefits to a few: public housing, day care centers, neighborhood health centers. The middle class would not quietly acquiesce in such treatment, nor would its politically effective outcries be limited to those who could document that their taxes were sufficient to pay for their share of the nonavailable service.

Third, systematic exploitation of the political weakness of the poor--in highway siting, urban renewal ("Negro removal"), exclusionary zoning, regressive taxation--is what it is, and the fact that it works assures that new forms will arise as old ones are exposed and discredited. As so often, the enemy is not the devil but the self-righteous soul who says that, in this case, the end justifies the means.

Finally, there is paternalism, which says that the end of helping and improving the poor justifies acts of trespass and meddling that are without precedent in government's non-emergency relations with the non-poor. This is the most vulnerable form of the double standard today, yet the contention that the poor (usually but not always the indigent poor) should be treated like everyone else is untroubling to conscience only to those whose view of the issue is very abstract. The drive for "equal protection" assails a weakness of customary practice, but it also has a weakness. The poor, many of them, are so unequal in many ways that equal treatment under law must be balanced by other ethical constructs. We may move toward paying the welfare mother as if she were on the public payroll, without looking for a man under the bed. We have already made great strides toward routine provision of income to the old.* But something has to compensate, and the likeliest candidate is increased efforts to protect the low-income child from his parents' shortcomings.

And, in some ways, the nonpoor will feel the effects as well, partly because of the troubled consciences of egalitarian "child advocates," but for other reasons as well. For example, one of the endless regulations promulgated by New York State says that a school nurse cannot so much as administer an aspirin to a child without written permission from the parents and from the child's physician. To state the generalization: growing up ("the developmental process") is too complex and perilous a process to be left, for its guidance, to amateurs. This type of reasoning appears to extend the society's traditional view of the inadequacies of the poor to the middle class.

Countering this tendency is highly articulate incredulity toward "helping professionals," as well as the traditional skepticism of the unlettered. But I feel that the latter is waning much faster than the former is growing: that is, we have educated a generation of Americans to a level where they appreciate how little they know, and have learned to mistrust their own common sense, but only a few to a level where they feel competent to judge the specialist. Much as the strength of the American Medical

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*Today's modest crusade is to make their public assistance checks the same color as their social security checks.

Association has been fortified by that nearly four-fifths of Americans who say they have more respect for their physician than for nearly anyone else they deal with, other professional groups may now find themselves gaining favor with the general public while they lose it with the elite. While they may well react by pricing themselves out of good fortune, the more probable near-term outcome is a continuing proliferation of professions that claim to deal with our many areas of social inadequacy, heavy employment of these experts at all levels of government, and among other results, continued erosion of the cultural and legal bases of parental authority.

Per se, this may affect the poor less than others, simply because of the high costs of professional expertise. The effect on the poor is more likely to be cruder forms of challenge to the verity that "a man's home is his castle." In particular, the large and growing percentage of poor families headed by a woman may find it difficult to protect the "castle" against invaders who wave the banner of children's welfare and rights.

I do not mean to deprecate the new breed of child-savers or the need for their work, nor am I really talking about the potential for abuse. My interest is in social policy as social process, and in a deep-seated urge to act paternally toward the poor that, blocked in certain directions, seems much more likely to express itself in other directions than to go away. There is a long-term trend toward reduction of parental right, but the last bold legislative manifestation of this trend was the child labor laws, which many working-class parents strongly opposed. It may have been that communism and fascism discredited the growth of the idea that the child is the ward of the state, but renewal of ideas related to this premise--although certainly not its complete expression--should not be at all surprising.

--The Indigent One-Parent Family

A third unsettled issue is the best means to serve the child's interest in a family that lacks a father. For practical purposes, this issue is limited to families on welfare, but nearly half of all female-headed families with children *are* on welfare today, and nearly all who meet the income standards.

As mentioned earlier, the original rationale for "welfare" was to allow the husbandless mother to stay home with her children. The opposing rationale came out of a dovetailing of resurgent feminist attitudes with conservative consternation at the explosive growth of the welfare rolls, with racism playing a supporting role. (The consternation would surely have arisen in any case.) While more attention has been paid to the conservative views, the feminist contribution is in some ways more important, because it devalues the child's rights and interests relative to the mother's. The primacy of maternal obligations for women has historically been a conceptual foe that feminists fought by having few (or no) children themselves, by insisting on a broader construction of fathers' obligations, and by denying that children are harmed by a working mother.

In relation to the welfare mother, only the last of these responses is available. The children are there, the father is not, and no feminist would favor requiring low-income women to remain with abusive and neglectful husbands. The feminists' options are, therefore, to support welfare rights' organizations on grounds of sisterly solidarity and to favor noncoercive means for facilitating employment of welfare mothers. In fact, most influential feminists take both these options. The result is dissipation of their direct influence, since women in general do not seem to align themselves on the welfare-rights issue as a woman's issue, but in much the same ways as men.

But the indirect effect of resurgent feminism has been considerable, greatly extending and liberalizing the new tendency to subordinate the question of children's interests to the aim of getting mothers off the welfare rolls. Of course, a major manifestation of the new paternalism I discussed in the previous section is the contention that the children of the poor are better off in day-care centers than in their homes. But this impresses me as primarily an instrumental assertion: it extends the no-harm argument of traditional feminism; it allows others to emphasize putting welfare mothers to work without feeling guilty about it.

Still, it is true that some conservatives are uncomfortable. As Congressional debate on day-care has illustrated, the communist/fascist connotations of State care of children have not evaporated, nor has the vague linkage of professionalism to radicalism. If children are in day-care centers, the argument goes, not only are the values of the home subverted; also, the children are indoctrinated with God knows what awful ideas. And there is something to this. If it becomes the norm to remove poor children, at three or two, from the home for most of their waking hours, it is not unreasonable to expect measurable, enduring effects. All that is unreasonable is to suppose that these effects will fully conform to what anyone intended or feared. Our knowledge and abilities at "behavior mod" are entirely too primitive and constrained for that.

But it will not happen soon, simply because this is a case where the professionals have priced the mechanisms out of reach. At the present cost per child for federally funded day-care, the mother of two preschoolers could be provided with a fulltime maid who would clean the house as well as minding the kids while she worked.

When confronted with this absurdity, a common response is to suggest that some welfare mothers be paid to take care of other welfare mothers' children. However, this solution does not absolve the funding agency of accountability for the well-being of the children involved. While it may be suitable for local experimentation, the problems of adequate surveillance and the potential for scandal are such that I cannot imagine the federal government sponsoring a massive program of this nature.

What this means is a strong likelihood that for many years most low-income women (husbandless or not) who want to work will continue to leave their children with relatives or neighbors. While some, like many non-poor women, will patronize women who take in children, most will not want to spend their scanty wages on this if they have a choice.

This is a frustrating situation to contemplate, because of the number of angles involved. First, there is the well-being of the children, which is better served by an inadequately policed child-care system than by one that is not policed at all. But in many cases young children would be better off at home with their mothers, considering the alternatives, and probably many of the mothers would prefer to stay home. Homemaking is a varied and rewarding job, even in a cramped apartment. By any criterion other than the wage, it is more appealing than most poor women's jobs, unless the circumstances offer no opportunities for adult companionship.

This is certainly one of the reasons why welfare mothers don't work. While many of them hold jobs off and on, the usual figure cited is that fewer than twenty percent are working at any particular time (and this percentage includes women who, say, have one seventeen-year old child). Another reason--and this one now seems to be noncontroversial--is that welfare often pays better than the available jobs. Other common reasons are poor health, mental or emotional disabilities, and children too young to leave. Lack of jobs at the minimum wage is probably not a common reason; even in recession conditions, the demand for such jobs may largely determine the supply. Mainly, welfare mothers do not work for other reasons than that no one is willing to pay them the minimum wage.

But in most areas even regular work at the minimum wage provides skimpy support for a family, after social security taxes and work expenses are subtracted. When we say that welfare is competitive with work, we do not merely mean that the financial proposition makes welfare more attractive to many women; we also mean that, as a matter of equity, the earnings of the husbandless mother who works ought to have substantial supplementation for a long time, unless the benefits to the nonworkers are drastically lowered. If public day-care is also provided, the cost to the government for some years may mean that total outlays on behalf of the working mother are higher than for the nonworker.

As I have said, this last is not the usual case and is very unlikely to become the usual case. While New York State at one point was spending at least $13,000 per year per person to provide residential "therapy" to "involuntarily committed" heroin addicts, there is a limit to the extent to which we will spend money on an abstraction, and the limit is surely exceeded by the six million children under six in families whose head is not on the labor force. To repeat, the expectable scenario is pressures on able nonworking mothers, but no good child-care alternative; in other words, business as usual.

Is this outrageous? Of course, but it is also outrageous for people to pay taxes that provide a higher real income to indigents than they themselves enjoy. The liberal response to this point is standardization of welfare benefits and a simple income criterion for eligibility, but this is in some ways legerdemain, so far as equity is concerned. Affluent states would supplement benefits; from the viewpoint of the taxpayer in nonaffluent states, he or she would still be assisting distant strangers to live well.

Thus, pressuring welfare mothers would not be a wholly black deed even in the event of sweeping welfare reform. As matters now stand, it is rather clearly less black than the alternative, if we are weighing different kinds of justice and injustice on the scale. It is also, almost certainly, in most mothers' interests. An area that needs research is the relation of income to years of consecutive employment for women by skill level. In the absence of such research, common sense says that the earlier a welfare mother begins to get work experience, the higher her later income is likely to be. And this has more than material significance in our present society.

The children? For many years, they are unquestionably at greater risk of physical or psychological damage than if their mother stayed home, unless staying home was seriously damaging to her mental health. But we have no way to measure the excess risk; we have many ways to reduce it, as we choose to exercise them; and the long-term effects for those who escape the risks must be assumed to be good. That is, it is good for a child to respect his parent. It is good for a child to have the model of a working parent. When I view "welfare" as an opportunity program, rather than merely as an income maintenance program, I conclude that work requirements are worth the costs and risks. The world of work can be a frightening place, as even middle class mothers may find upon reentering the labor force after a decade of homemaking. To pressure the welfare mother into making this transition, to aim to make welfare primarily an earnings-supplement rather than an earnings-substitute program, is in everyone's long-term interests.

--Welfare as a Cause of Family Break-Up (or Nonformation)

This is the fourth unsettled issue regarding the society's commitment to children. By and large, children are better off in two-parent families. As with the marijuana-heroin use relationship, there are two ways to look at this proposition. One may note the high percentage of heroin users (or emotionally disturbed adults) who started with marijuana (or with a childhood in a broken family). Or one may note that most marijuana users never move on to heroin. And an interesting finding of longitudinal studies of children is that broken homes and other traumatic early events are not good predictors of emotional troubles later in life.

Nonetheless, good data do not exist on the subtler deleterious effects of a one-parent family on children. Common observation says that the parent-child relationship in such homes carries emotional burdens with which a child is too naive to cope very well. But it may be sufficient to stress the greater economic viability of the two-parent family. A family with one adult member, like a person with one eye or arm or leg, has special economic vulnerabilities and handicaps. In the aggregate, these matter, although many people have the inner resources and luck to surmount such problems.

The extent to which the availability of AFDC induces the creation of one-parent families must be considered in this context. At the low-income level, it is fully appropriate that the society provide women with a non-catastrophic alternative to staying with an abusive man or a wholly unreliable one. This is in the interest of the children as well as the mother. In a second type of case, the break-up is ersatz. A comical illustration is the discrepancy between Census Bureau figures, which show 87,000 female-headed Puerto Rican families in New York, and the welfare rolls, which include a hundred thousand female-headed Puerto Rican families. Here the result is presumably steadier and larger income to meet the needs of the child than if the pretense of the father's absence were not invoked, but also an undesirable social conditioning for the child.

The clearest case of harm is the encouragement of illegitimacy. If the one-parent family has inferior economic chances, the inferiority is compounded in the case of young girls whose babies disrupt education and defer work experience. If there is a single factor other than discrimination which most profoundly obstructs the economic upward mobility of blacks, it is illegitimacy. To the extent that "welfare" perpetuates rural sexual practices, it poses a glaring obstacle to opportunity policy, and misplaced liberal or feminist sentiments should not be permitted to obscure the point.*

Education for Opportunity

Finally, there is the issue of priorities for schools that educate the poor. In considering the "low income problem" problem, I suggested that elite attitudes about intelligence, compounded by the fear of seeming racist, have obstructed the workings of common sense in this area. A good body of evidence exists that so-called "authoritarian" tendencies of lower socioeconomic groups represent realistic recognition of the survival values for the less well situated and less talented in our economy, not merely neurotic responses to relative disadvantage. Blacks as a group show these tendencies on public opinion polls (except for those inquiring whether the courts and police are "not harsh enough"). That is, if blacks are more favorable to liberalizing welfare than whites, they are also more partial to stricter discipline in the schools, and to measures to keep unemployed youth who are not in school off the streets. Among the lower income groups, black children have lower absenteeism from school than whites, and lower nonenrolled rates at all school ages to 17.

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*As discussed in the final section of this chapter, I am skeptical that extending welfare to "male-headed" families will make as much of a dent in this problem as is generally supposed.

The data, in short, do not support an image of a separate black culture, rejecting lower middle class values; they show generally strong acceptance of these "illiberal" values, betokening a very similar desire to succeed, in conventional terms. Schools responsive to this desire would most certainly offer music and art and gym. They would provide opportunities for creative writing and individual projects. They would try to cultivate racial and ethnic pride. But they would never overlook the difficulties of escape from poverty and near-poverty. Aiding this escape would be their principal objective, and this means teaching children how to spell and how to construct grammatical sentences. It means drill in basic arithmetical processes, familiarization with techniques of measurement and accounting, practical consumer education. It means emphasizing neatness, cleanliness, punctuality, courtesy, self-discipline; and finding a middle ground between "conditioning to failure" and excessive protection from competitive stresses and the experience of failure.

There seems to be a general tendency of the schools to swing cyclically between academic laxity and rigor. Many indications exist of a swing back toward rigor today, in response to a decline in verbal and mathematical achievement scores that began in the middle Sixties. (A similar decline seems to have occurred in the 1940's.) A Hudson Institute study, conducted by Frank Armbruster, indicates that this deterioration has not been peculiar to inner-city schools but, in many cases, has been more pronounced in middle-class areas. This is doubtless one reason for the reaction against the downgrading of basic skill instruction: as with the "heroin epidemic," the politically potent suburbanites react most emphatically to what is perceived as a threat to their own.

But the issue for poverty-area schools, whether inner-city or rural, is somewhat separate. One may hazard a guess that the middle class child who graduates from high school this year will experience no serious vocational handicap compared to the one who graduated ten years ago, even if his College Board scores are much lower. He will get into the same college (it will have lowered its admissions standards), and he will have the cultural back-up and perceptions to make up the lost ground, or those parts of the lost ground that are a real liability. It is primarily those who don't go to college who are victimized by swings in educational fashion. This is perhaps an unavoidable problem in a democracy, where the idea of one type of schooling for the poor and another for the privileged is distasteful, but as I suggested in Chapter II, this way of thinking has been exacerbated by the problem of liberal white school administrators confronted with an influx of black students and an efflux of white ones.

Ideally, we should be able to separate the economic prospects of poor children from other considerations. These prospects, and the importance and difficulty of improving them, constitute an educational challenge that should be understood as timeless, but whether or not this will be possible the next time around, the prospects for doing well by the children of the poor should now enter an up-swing. A sane reordering of priorities can now be established without the stigma of discrimination.

Medical Care

In this country and western Europe, the protection of health became a serious governmental concern in the middle decades of the last century. Following British example, Massachusetts set about investigating the "sanitary conditions" of its cities and proposing remedies for, among other things, the chaotic practice of medicine:*

> "There is no such thing as a legal medical police existing in the state. No restriction is laid upon any one in the practice of physic, or in dealing in drugs and medicines. Any one, male or female, learned or ignorant, an honest man or a knave, can assume the name of physician, and 'practice' upon any one, to cure or to kill, as either may happen, without accountability. 'It's a free country.'"

By the early decades of the twentieth century, it was not such a free country any more. Reforms enacted in whole or in part in the name of the public health included pure food and drug legislation, prohibition of narcotics and alcohol, the regularization of medical education and practice, child labor laws and wage and hour legislation more generally, and safety and sanitary regulation of eating, dwelling, and working places. By the end of the Twenties, when President Hoover appointed a research committee to study recent social trends in the United States, its health care expert, Harry H. Moore, could look backward and forward with that combination of confidence and discontent that is only possible for those who have accomplished a great deal in a brief time.

What he saw he described in such language as this morning's newspaper editorial might have used:**

> "People everywhere are complaining about the costs of medical care, and in many sections of the country about the inadequacies of medical facilities. Informed leaders deplore the lack of preventive measures....The situation in the United States is ripe for action and action seems inevitable."

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*Report of the Massachusetts State Sanitary Commission, 1850, p. 58.

**Harry H. Moore, "Health and Medical Practice," in Recent Social Trends in the United States, 1932.

What action did he anticipate? Progress on one or more of these lines: First, the government might assume a greater role in operating the system. He pointed to Saskatchewan where this seemed to be occurring, and he mused that medical care might become "free" in the sense that public education is free. Second, he noted that the solo, fee-for-service physician was an anomaly in an advanced industrial society, a carry-over from the days of cottage industry. Noting experimental efforts of the Twenties, he surmised that the logical replacement would provide all medical services under one roof, the subscribers paying for their care by a periodic fee: in order words, what the next generation would call prepaid multi-specialty group practice, and what President Nixon would call prepaid Health Maintenance Organizations (HMO's). Finally, pointing to European examples, Moore anticipated our institution of "compulsory state sickness insurance," which we now call comprehensive national health insurance, and which, before World War I, the fledgling, progressive AMA had endorsed.

We can hardly call Moore prescient, since none of these things has happened very much, but we certainly should call him modern. He even shared the modern feeling that the precipitous trend toward physician specialization must be topping off (this at a time when three-quarters of American doctors were GP's). And it would be taking unfair advantage of hindsight to call his views premature. While he was, in fact, writing at the start of the Great Depression, his backward glance covered decades which justified belief that the genius of industrialization--the application of reason to the manipulation of mundane things--could and would be applied successfully to complex social services.

There has been a revolution in medical care since Moore wrote, but it has not been the revolution he anticipated. The continuing revolution of medical science and technology has been the driving force to which nearly all else has been response. We have virtually completed elimination of the major child-killing diseases. Infant deaths in the first year are now fewer than 16 per thousand live births, compared to 86 in 1920. Pregnancy-related deaths, 30,000 in 1920, were dropping toward 900 a half century later, despite an increase from 25 million to 44 million in the number of women ages 15-44. And so forth.

Also, technology has underwritten some of the cost rise of medical care, although increased population has accounted for a good deal, and inflation for a considerable fraction. (Interestingly, during the Depression, the Consumer Price Index for medical care never dropped more than 3.5% from its 1929 level, compared to a 37% drop for food and 32% for rent.) In 1929, medical care accounted for 3.5% of GNP, in 1970 for 7.4%. This becomes less impressive if we note that the same pair of percentages describes the shift in education's GNP share from 1950 to 1970, but the latter did not require new mechanisms for money-extraction.

The former did, and they were not for some time the mechanisms forecast by Moore. After the 12.5% annual increases in medical costs of the 1940's, the surprising response was not "socialized medicine." On the contrary, the government's share of the health care dollar declined slightly in the Fifties, while the private insurer's share more than doubled, the two reaching par (at 21%) in 1960, and still being matched (25% each) in 1965.

Then came Medicare and Medicaid, but while it is reasonable to suppose that the former has had something to do with the protraction of life expectancy among the old, and the latter has had something to do with the resumed downturn in infant death rates, these programs have not served to justify Harry Moore's belief in our ability to rationalize the funding and delivery of medical care. Indeed, a 1972 survey conducted by Gallup for Potomac Associates showed that, while 30 and 29% of the public felt "great confidence" that policies proposed by doctors' associations or private insurers were "fair and workable," only 13% had this level of confidence in those proposed by Federal officials. (Labor leaders ranked even lower, at 8%.)*

The impact of Medicare and Medicaid on inflation appears undisputed, but this only begins to touch on the problems of rationalizing medical care within the existing institutional and cultural constraints. The cultural constraints are most clear for the elderly, and I mentioned them in Chapter II. We cannot formulate care goals for old people, other than rejuvenation, and this means that we cannot say what is the right amount to spend. As a result, we have allowed Medicare outlays to reach a projected $16.4 billion level for FY1976, long since exceeding the direst forecasts of the program's foes, yet for several years out-of-pocket medical expenditures of the elderly have exceeded the per-person figure for the year Medicare was enacted.

Aid to the poor is also hard to specify for "correct" amount, but Medicaid has suffered from additional constraints. Enacted with a formula for Federal payments intended to shift money from the richer to the poorer states, it has run up against the fact that the wealthy states pick up all the options that are offered; the poor states don't. While the figure has recently dropped slightly, New York and California, wealthy states with only 15% of the country's poor, have consistently accounted for more than 40% of annual federal Medicaid outlays.

Medicaid also responded--rationally--to the inferior quality of care the poor were receiving from teaching hospitals which were only interested in the "interesting" cases, and from low-quality salaried physicians in public clinics. The reasoning said that quality would be improved if the poor were enabled to choose their own physicians, like everyone else, the only difference being that the doctor sent the bill to the government. This has not worked out well even in the top-participation states. California is struggling with the problem of cut-throat competition and profiteering by proprietary prepaid clinics. The *Daily News* has reported that 4% of New York City's doctors account for 80% of Medicaid billings, and no one supposes that this four percent are the cream of the crop.

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*Stephen Strickland, U.S. Health Care, 1972, p. 56.

Obviously, red tape, payment delays, and in some cases fee schedules that are not competitive with private practice account for some of the qualitative problems of Medicaid care, but the problem would remain even if the system were ideal in these respects. Physicians are highly paid professionals. Even ignoring the fact that the most prosperous have incorporated, the after-expenses incomes of the rest are more than five times that of the average factory worker, compared to about three times his pay in the 1920's. (Interestingly, military officers made more money than doctors or lawyers at that time.) Affluent professionals care about fringe benefits, and the benefit of a middle class clientele and a practice in a pleasant, safe neighborhood near one's home is very important. Trying to meet the medical needs of the poor is a frustrating, depressing business. For the poor to acquire equal purchasing power with the middle class, in an open market for medical services, would require them to have considerably *more* money to spend for this purpose. What would it take to make a practice in Hough as attractive as a practice in Shaker Heights? An extra twenty thousand a year? Perhaps not even that.

The winning combination might be high fees and short hours. A curiosity of the medical statistics is that, in the Northeast, where the physician:patient ratio is the highest in the country, doctors have--compared to other regions--the highest fees, lowest net incomes, shortest workweeks, and longest vacations. An economist, looking at this list, would sniff a monopoly operating in restraint of trade in order to keep fees high. Physicians don't see it that way. In less well-served parts of the country, doctors would dearly love to trade their extra dollars of income for the leisure to enjoy their earnings. Where there are lots of doctors, this becomes possible. They can and do baby-sit for one another's trade.

Were it possible by high fees (or bonuses such as the military offers) to attract large numbers of doctors to the low-income areas, this would permit the generous leisure that the doctor who deals with the poor probably needs psychologically more than most. However, this is certainly not possible for rural areas, and the fees required as sweeteners are probably politically prohibitive, although it might be worthwhile to try the experiment in a few places.

In any case, appreciation is beginning to grow that the problem with routine medical care is not so much the scarcity or poor distribution of physicians but the scarcity of people qualified to do most of the things doctors do. Here again we are looking at the effects of the scientific revolution in medicine. For several generations, high-technology medicine has been the attraction for would-be physicians, determining the personality types that choose this profession, and medical education has hewed to a narrowly scientific model. The result is physicians who see their role so:*

> "The physician is neither nurse, social worker, nor physical therapist....His training and talents as a physician must not be dissipated by employing them--except in crisis situations--in any tangential, nonmedical discipline. There are not enough of him in the United States today to warrant wasting a minute of his education and experience on jobs others can do as well."

Or, as an academic pediatrician put it, "No pediatrician worth his salt would want to spend more than ten or fifteen years catering to the worried mothers of well babies."

There are people who think that this is the right kind of pediatrician to have. There are also wealthy men who take their doctors along on business trips. When Nelson Rockefeller was Governor of New York, The New York Times quoted him as saying, "A key figure in my health habits is my personal physician...I see him about twice a week."** But most middle class people cannot afford the amount of a doctor's time that is required if he is to deal insightfully and knowledgeably with the interplay of physical, mental, and social ills. They must settle for the scribbled tranquilizer prescription from a harried internist whose snap judgment is that the lower back pain is merely a "presenting symptom." They are shunted among specialists who treat them as machines with malfunctioning parts. Resigned to no house calls, they now have trouble finding a doctor who will answer the phone at night, or at least return the call.

None of these problems are addressed by national health insurance which would, indeed, exacerbate them by increasing the demands on physicians. Nor, unfortunately, are they directly addressed by the proliferating programs to train "nurse practitioners" and "physicians' assistants" to deal with most of the needs of the well, the so-called "worried well," the nonseriously and the chronically ill. Because these programs are justified by reference to the unmet needs of poor people and areas, they carry the stigma of second-class medicine, of better-than-nothing. They recognize, at least implicitly, that doctors of scientific medicine are over-trained and over-priced for much of the work they do, but they do not invite us to speculate that the selection and training process may not produce high quality primary care practitioners: i.e., that we start with the wrong temperaments; we condition the wrong values and aspirations; then, placing our M.D.'s in jobs that are heavy on repetition and "relating" to people, we tell them (or their mentors do) that only they can do this work. Only the physician knows when a physician is needed. Only he can man the entry gate.

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*Report of the National Commission on Community Health Services, 1967, p. 23.

**The New York Times, November 30, 1973.

This mystique is being challenged by Kaiser-Permanente and similar prepaid groups, but there is a further mystique. This says that the psychic component of the ills of modern man requires him to be treated by a scientific "shaman" in a white coat, with a stethoscope dangling about his neck, curious chemical odors in the air, and elaborate diplomas on the wall.

I know people like that, but I am not one of them. If I'm going to the city, I have other choices than to rent a Cadillac or walk. If I have an infected finger or my child has a sore throat, why should my options be limited to the doctor of scientific medicine or self-medication? Much is made of the fact that the average American now has more than twelve years of school. Are we still so ill-schooled as to be unable to detect incompetence among licensed, sub-doctoral general practitioners? How much protection do we need--and how much are we getting now?

I suggest in Chapter VIII that, on the precedent of industrialization, we should not be surprised if the shift of employment to services leads to a more rational division of labor; in medicine, one where all doctors of scientific medicine are specialists (including some who, as Tom Lehrer put it, specialize in diseases of the rich), and where the middle skill levels, presently populated by B.S. and M.S. therapists and technicians, are filled out with generalists, a numerous, autonomous, culturally diversified breed who are the best trained to meet most of most people's medical needs most of the time.

As a fait accompli, this would make physicians happy, allowing them the time and the organizational structures to consort with their own, to keep current, to advance, to enjoy leisure. An objection may be lodged that similar division of generalists and specialists in England is rife with professional resentment and hostility. On the other hand, polls show the English patients exceptionally content with their medical care, and our system has evolved so differently that British experience may not be predictive (or else its predictive validity may lie fifty years ahead).

In any case, it seems to me that the problem of medical care for the poor cannot be met until it is assimilated to the general problem of a bizarre allocation of resources. So long as the middle class American is spending too much to be treated by the wrong people, whatever is done for the poor will appear inadequate by a crazy comparison, and efforts to reduce a misconstrued quality gap will be so much money down the drain. At the same time, the development of a sensibly trained stratum of primary care practitioners will be retarded and distorted if the selection, training, and use of such people continue to be defined exclusively as a second-best response to doctor scarcity in urban slums and rural backwaters.

Far-sighted government policies could achieve a substantial reform of "entry-level" medicine within twenty years by such means as assistance in curriculum development, scholarships and subsidies, the development of apprenticeship arrangements, loans for setting up in practice, and modification of rules regarding what types of licensed practitioners are eligible for reimbursement under Medicare and Medicaid. Theoretically, national health insurance could facilitate this last, and, if its costs soared out of bounds, this might indeed be the stimulus to a crash program to develop sub-M.D. level practitioners. However, if inflation is less than horrendous, a national program may be more likely to freeze existing forms of service provision. Innovation, in this case, may be greater and faster if Washington's role does not grow.

How so? First, some of the generalized "physician extenders" we are now training will rebel against their subservient role in the system, setting up in practice for themselves. Where this affronts state law, enforcement will be erratic and ineffective. As with Prohibition, the enforcers will be ambivalent. Second, and perhaps more commonly, overworked doctors will start making arrangements with sub-M.D. professionals that move toward (and later start with) total autonomy for the latter, meaning that the "non-doctor" has his own office, exercises his own judgment on referring patients to specialists, and, under "his" doctor's sponsorship, acquires the hospital privileges appropriate to his type of practice. Third, in response to these developments, accreditation and licensing will begin to change, state by state, without the necessity for a single national policy decision.

This grass-roots dynamic is inferior to one in which the new general practitioners are, from the start, chosen and educated to play an autonomous role in a rationally integrated system. By "inferior" I mean, at the extreme, that some people will die who should have lived. But unfortunately, no influential body of opinion favors autonomous non-M.D. practitioners. Most physicians myopically regard them as a threat. Most liberal physicians (and non-physicians) think of rationalization similarly to Harry Moore, a functionally organized array of specialists and "paraprofessionals" under one roof, associated with a community hospital and linked on the one side, perhaps, with "satellite clinics" and on the other with a regional hospital full of exotic hardware.

This construction of progress is inimical to the prospects for enriching the ranks of non-M.D. generalists with people who differ only in temperament, not in intelligence, from the average doctor of scientific medicine. Such people will not be attracted to a relatively low-status role in a rigid hierarchy. They can only be attracted by a private or group-private practice of their own, in a location of their choice, with their own account books, and with their own opportunity to win the deference and respect of patients and community.

Equally important, there is no basis for supposing that primary medical care can be better delivered in a clinic setting than in a small office (by a practitioner who even makes house calls). Here the AMA is surely correct. At the entry level of medicine quality of care is very largely a function of the care-provider's rapport with the patient. For the very large percentage of patients who are chronically or nonseriously ill or "worried well," the care-provider earns his fee or salary primarily by providing reassurance and the means to relieve symptomatic discomfort. No definition of "rationalization of health care delivery" can support the argument that these functions are improved by doing away with solo practice. A clinic setting can only be recommended where something more intimate is not available at all, is not available to some because of cost, or is an option offered to allow for differences of taste.

That these points are not appreciated today is curious. With respect to nearly all our other social systems--education, work, the family and sexual roles--liberals emphasize subjective values, the "becoming" of the individual, and this has been so since the early decades of this century, although the Depression temporarily slowed its momentum. Only in two areas, medical care and "welfare," is it au courant to associate progress with processing people more efficiently and impersonally. In both of these areas, although their evolution differs radically in other ways, the implicit assumption is that, if basic matters of cost and access are settled, desirable psychological boons will flow therefrom. To concern oneself first with psychology is therefore frivolous. The idea that an adequate definition of "efficiency" may be inconsistent with realizing economies of scale, although admitting of other economies, is not seriously considered.

This oversimplifies. Such statements are sometimes made of the poor and their needs:*

> "...although the purely medical aspect of care offered at centers treating the medically indigent is usually medically acceptable, the care is neither continuous nor comprehensive, and the circumstances in which it is administered are generally so impersonal as to discourage even the most health-conscious individual. Too often the location of the public services,... the hours when services are offered, and so on, reflect arrangements which are convenient for the providers of service but inconvenient for the patient. And the patient who is persistent...must too often face long waits...only to then have to describe his problem not in his own terms but in terms acceptable to the middle-class white professional."

The trouble with this analysis is not that the problems cited are unreal or unimportant but that their distribution, even allowing for intensity, unquestionably shows more cases above than below the poverty line. Neither politically nor ethically can they be treated as poverty problems, any more than learning disabilities can be so treated. But while we have varied mechanisms to attempt to remove learning disabilities, the means to remove practical and psychological obstacles to the benefits of medical care are largely beyond the reach of people who lack substantial wealth.

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*L. Knowles and K. Prewitt, eds., Institutional Racism in America, Ch. 7: "Why White Americans are Healthier," p. 102, New York, Prentice Hall, 1969.

The problem here needs to be carefully stated. There is an elegant anecdote about a ghetto hospital that was refurbished in response to a serious riot. When few patients used the hospital, a sociologist was consulted who cited culture barriers as the reason. The hospital was then redecorated with African art, and an effort was made to restaff it with black physicians and paraprofessionals. When the patients still stayed away, a neighborhood survey was conducted, and one of the students conducting the survey made his first call on a black woman with several children, one of them wearing an eye patch. Asked if the child had been treated at the local hospital, the mother exclaimed incredulously, "That niggah hospital!"

She had exercised her choice, at the cost of a 45 minute bus ride to a "good" hospital. What is needed is more choices, and better information as to what the choices are. What is not needed is paternalistic efforts to give us what an "expert" says we ought to want. And it does not help if "we" and the expert are both blacks or Indian or female. Illness and the fear of it are intensely personal experiences, with much more reponse variation within than among ethnic and other groups.

As we begin to look at the long-neglected area called primary or ambulatory or entry-level medicine, we ought to begin by keeping this difference in mind. Individualized medical care--and here it is proper to speak of health care--is as important as individualized education to the social policy task of enlarging opportunities. Our present resource allocation, for all that it entails per-capita health care outlays several times those of most other countries, demands appraisal in the light of this aim.

Manpower Training

This component of opportunity policy has entered on a period of conceptual confusion. Initially, manpower training, like "defense education" and area redevelopment--other progeny of the Kennedy Administration--occupied a frame of reference in which national security and economic growth were the main desiderata. Intended to retrain the technologically unemployed and to aid the country's transition to the "age of automation," it became oriented toward opportunities for the individual with the advent of the poverty war.

The next step was fragmentation of programs. This was not a mindless proliferation of bureaucracies. The aim of aiding individuals required that federal programs be tailored to the needs and characteristics of individuals--or, in the unavoidable compromise, of categories. But this process bred bureaucratic confusion and duplication, and the programs were also rendered vulnerable by the haste of their creation. The Job Corps, in particular, was thrown together in a great hurry. As a result, its costs per person were very high, its methods vague and sloppy, its horror stories numerous, its early effectiveness clearly poor.

Further complications were created by the urban riots, which brought into the picture corporations that mainly wanted to prevent further riots, although the shock often stimulated thoughtful feelings of altruism. There is nothing like watching a riot to bring home the lesson that something is wrong, but, once the riots stopped, it became less obvious what had been wrong. The view that the riots symptomatized a threshold level of frustration at inability to overcome obstacles to adequate income became diluted by other views: that television had created excessive expectations on the part of people who were really not so badly off; that the riots were the work of undisciplined kids (or outside agitators); that they were the result of pouring a great deal of federal money into poor areas. As a result, business programs to employ the "hardcore" dwindled away, and unrealistically ambitious aims produced disillusionment. In the private even more than in the public sector, the desire for results from manpower training led to creaming. In both sectors, emphasis shifted to the better prospects, and to the Vietnam veterans. At the same time, an increased proportion of outlays went to training welfare mothers.

Creaming is the main reason why the cost-effectiveness of manpower training programs improved. But it did improve. And the public popularity of manpower training remained strong. Like education, this is clearly a case where the public needs to see money spent in obeisance to a principle. Results are a secondary concern.

However, the frame of reference has now changed again, and one may suspect that the change was in the cards even without the push of soaring unemployment rates in the winter of 1974-5. The public favors job-training, but a startlingly large majority--in the area of 80%--also favors guaranteed jobs, and recession conditions blur the distinction between these two concepts. At the most literal level, the lay-offs accompanying a severe recession raise doubts in specific localities that specific plants will resume full-scale operation--or resume operation at all. The need to retrain workers merges with the need to train prospective workers and the desirability of creating new jobs and industries. Further, in the usual political context, direct job-creation is largely limited to the public sector, and to public-sector activities that do not appear to compete with private business or to encroach on the domain of private-sector labor unions.

Today an additional factor is at work which promotes the blurring of manpower policy categories. In response to the bureaucratic tangles of the Sixties, the Nixon Administration attempted and finally succeeded in partially extending the revenue-sharing concept to manpower training, under the Comprehensive Employment and Training Act (CETA). Thus we have not only the Public Employment Program (PEP), directly responsive to recession unemployment, but a partially decentralized federal manpower training program under which, spurred by exigency, funds are presently being spent for public job creation as well as for job training.

This does not constitute a smoothly functioning response to economic instability. Horrendous problems can arise where localities trying to cut municipal or county payrolls lay off workers while hiring the unemployed for whom wage subsidies are available. High statutory pay requirements for the newly hired are also problematic, but the most troublesome factor is probably the vagueness of the rationale: specifically, the unclear distinction between temporary, emergency jobs and permanent positions.

The complex of manpower training and public employment programs is today either an appalling mess or in a state of transition, and probably both. A plausible outcome, especially if unemployment remains high, is a permanently closer association of job-training and job-creation--meaning that this will persist after unemployment falls to what will be considered "normal" levels. I discuss this prospect further in Chapter VIII, and will limit myself here to several points of short-term importance: (1) Recession conditions give special point to the illogic of training people for jobs that don't exist; (2) Under recession conditions, such devolution of decision-making to the local level as accompanies the shift from categorical grants to revenue-sharing becomes subject to exceptional pressures to substitute job-creation for job-training; (3) In the absence of near-full employment, efforts to train the "hardcore" unemployables will become and remain a federal/foundation residual,* of little or no interest at the state and local level. In short, there seems a definite tendency for manpower training to shift from the category of opportunity programs to the category of maintenance programs, or, if one prefers to see it that way, the category of subsidization of normal local government operations. But no one who has followed the evolution of manpower training programs to date would be so rash as to say that this will be their last stage.

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*Currently in the form of the Manpower Research Development Corporation, a multi-million, multi-site project in "supported work environment training," co-sponsored by the Ford Foundation and five government agencies.

Empowering the Poor

The poverty war would have been nothing but the latest of many eruptions of middle class paternalistic altruism had it not attempted to enable the poor to participate effectively in local political processes. This effort was preceded by many decades of struggle to secure the enfranchisement of Negroes in the South, and, to some extent, the poverty war had a similar focus on facilitating the exercise of existing legal rights.

While this was a much more wide-ranging effort than was represented by the media's tendency to focus on welfare rights cases, these latter were important because, for a time, they led the courts to construe the equal protection clause of the Fourteenth Amendment in a way that sharply challenged the traditional view of public assistance as a charitable grant or gratuity that might be hedged with whatever restrictions the grantors chose to impose. Within less than half a decade, the courts struck down the 'man in the house' regulation, required reasonable grounds for geographical differences in payments, held that the qualification of an individual whose eligibility had been previously established could not be terminated without a hearing, and invalidated a one-year residency requirement as a condition for the receipt of welfare payments.* This trend was reversed in Dandridge v. Williams, where the Supreme Court approved Maryland's ceiling on welfare payments, which, it had been argued, denied equal protection to welfare children in very large families. The Court contended that such a classification does not offend the Constitution merely because it "is not made with mathematical nicety or because in practice it results in some inequity." In sum, "It is enough that the State's action be rationally based and free from invidious discrimination."

The fact was, the implications of the late-Sixties trend were entirely too sweeping, opening huge vistas of judge-made law and doing so at a time when political opinion was swinging against welfare largesse in a very emphatic way. However, the larger interests of "poverty law" were not similarly affected. The problem here was not public hostility but the impossible magnitude of the job. The poor were largely ignorant of legal rights they shared with the nonpoor. Because this was known and because it was also known that the poor, as a class, lacked the money to hire lawyers, low-income communities were--and are--exceptionally the target for sharpers and the victims of high-handed treatment by landlords, "respectable" businessmen and professionals, and police and other government functionaries. Ironically, it is largely because the poor have the least access to legal protection that they have more frequent need for it than people who live and work in middle class communities.

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*My summary is derived from Samuel Krislov, "The OEO Lawyers Fail to Constitutionalize a Right to Welfare: A Study in the Uses and Limits of the Judicial Process," Minnesota Law Review, V. 58, No. 2, December 1973, pp. 211-245.

Unfortunately, as Krislov notes, this means that: "The demand for legal services is elastic and self-proliferating, and the publicized availability of free legal service for the poor could be expected to generate an overwhelming demand." He further comments that the "legal aid approach" results in a swamping of interesting cases by mundane ones that tend to restrict the practice of law in poor areas to "overloaded and mediocre lawyers." This, it will be appreciated, is precisely the criticism that is leveled at "poverty medicine," and also at the quality of teachers in inner-city schools. In my opinion, it is a basic problem that lies beyond the apparently central problem of "adequate" income support. At least in our time, the poor will always be disadvantaged in ways that "burn out" initially idealistic teachers, lawyers, doctors, nurses, policemen, and social workers. As a result, improving the quality of life and opportunity for the poor is in large measure a project that calls, in the hyperbolic military phrase, for systems designed by geniuses to be run by idiots. However, this construction is such anathema to the liberal elite and to the professional ethos and amour propre that I doubt it will ever be given the serious try that our technological capabilities (in the largest sense) probably warrant.

In the particular case of equalizing legal protection, the desire to romanticize poverty work and make it an attractive vocation produced an emphasis on class action suits (subsequently curbed by court decisions) to effect matters of principle, and a more general conception of the government-paid poverty lawyer as an advocate for the poor. This latter itself raises the issue of equal protection. As Geoffrey Hazard noted: "(W)hat would be the consequences of generalizing the proposition that the poor should have lobbyists paid by the government: should similar lobbyists be provided the near-poor, the middle class, the affluent?"*

Similar objections were raised to the activities of the volunteer agency VISTA, one of the original OEO components, which was subsequently moved by President Nixon to the volunteer-services conglomerate, ACTION. (And it is to the point that in June 1973, The New York Times reported VISTA's new director as proposing "to involve the program in a larger cross-section of society than in the past....assigning volunteers to social programs run by fraternal lodges, labor unions and ethnic groups."**) But the main brunt of second thoughts on government investment in increasing the political and legal power of the poor was directed toward the Community Action Agencies.

Authorized by the Economic Opportunity Act, the CAA's possessed a sweeping legislative charter to involve themselves in any activities that "give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation and productivity, or bettering the conditions under which people live, learn, and work." A thousand such agencies at one time were functioning; about nine hundred remain today, still administered by OEO/CSA.

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*Quoted in Kislov, op. cit., from an article in the University of Chicago Law Review, 1970.

**The New York Times, June 12, 1973.

Charles Brecher's review of evaluations of CAA's shows conflicting reports on their mix of activities at any time,* but the longitudinal picture is clear enough. An initial period of extreme fragmentation was followed by an emphasis on administering the principal OEO programs, such as Headstart. Early autonomy from local government was followed (with an assist from Congress in 1967) by partial integration with local government. The much discussed mandate for "maximum feasible participation" of the poor yielded majorities of the poor on a few CAA governing boards, but mainly it meant jobs in the CAA's. The militancy of some CAA's and their efforts to get eligible people on the welfare rolls were used by the media to create a stereotype that doubtless helped to make Richard Nixon President, but the process of transformation which robbed the stereotype of political effectiveness was already underway. A recent article notes that, while Republicans in the House of Representatives voted 22-145 against the Economic Opportunity Act, and only 15 voted for its first extension in 1966, substantial majorities supported reauthorization in 1969 and 1971. As the author notes, "'(M)eals on Wheels' is a far different proposition than dumping garbage on the steps of City Hall."**

A familiar comment about the origin of Community Action is the novelty of the powerful trying to give power to the powerless, and this is commonly followed by some such observation as this one from a former OEO official: "It was an era that attracted some of the brightest social thinkers in the country but perhaps not those with the most well-organized minds."*** Neither comment is very germane. No one intended to give up power, certainly not the Congress. The perception was only relevant to local government, which wasn't voting on it. Further, if there were fuzzy-minded thinkers in Washington, I have already devoted most of a chapter to arguing that, with respect to "the poor," this is perennial and unavoidable for people far removed from poverty themselves, no matter how "well-organized" their minds may be. The original motivation to involve the poor in the activities intended to aid them should be praised, not ridiculed. As I began this section by saying, the "war" would have been compromised without this component.

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*Charles Brecher, The Impact of Federal Antipoverty Policies, N.Y., Praeger, 1973.

**David A. Stockman, "The Social Pork Barrel," The Public Interest, Spring 1975, p. 27.

***Robert A. Levine, The Poor Ye Need Not Have With You: Lessons From the War on Poverty (Cambridge: MIT Press, 1970).

Like Prohibition in its time and place, community action was a necessary as well as a noble experiment. Its tragedy has not been its excesses or its co-opting by local government but the vast demoralization that afflicts the personnel of any agency that, in Daniel Patrick Moynihan's pharse, is "a creature of a Washington bureaucracy, subject to the discontinuation without notice."* Living under the ax, the CAA's have had trouble attracting and keeping board members. A constructive integration with the local political process was impeded in many cases by an arrogant black racism while money was flush, but it was impeded in all cases by the uncertainties of the CAA's own financial base and ties to Washington, and by the possibility promoted by President Nixon that their funding would be left to general revenue-sharing--i.e., to the whim of local government.

There remains an attractiveness to the idea of specially-funded quasi-governmental offices in poor neighborhoods, and in nonaffluent neighborhoods as well. Minimally, the poor and nonaffluent need a place, a physical, near-by place, to go to ask for help or advice or information and to register complaints. Minimally, the government needs the information on conditions and problems that a properly functioning network of this kind can supply. In effect, the abolition of the CAA's would largely limit such networks to welfare recipients. This is as repellent as limiting Medicaid to welfare recipients.

If such a network is preserved or expanded, there is precedent for expecting a variety of other roles to emerge. Probably the precedents abound, but my own experience derives from a brief effort, several years ago, to see what local civil defense agencies were doing, other than sitting around waiting for The Bomb. Nothing has had less attention from the Congress, the media, the public, in recent years than civil defense, and nothing has had a lower funding priority or a greater need to face up to Robert Frost's question: "What to make of a diminished thing?" As a result, some CD agencies are run by the mayor's brother (who happens to be out of town today), and some consist of nothing more than a room in the high school basement with brochures on the seven signs of cancer and other interesting subjects. But many are very much alive, finding the money somewhere to sponsor youth groups, train police auxiliaries, conduct disaster drills, teach first aid courses, and provide efficient coordination or solid contribution to activities connected with hurricanes, airliner crashes, and county fairs.

What is possible within the charter of a civil defense agency is different from what is possible in the charter of a Community Action Agency, but the range of potentialities is great in both cases. There should be an office in poor and nonaffluent neighborhoods to serve certain minimal functions but also, like civil defense in small towns, to provide the foundation for other capabilities. A local welfare office is not enough.

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*Moynihan, Maximum Feasible Misunderstanding, N.Y., The Free Press, 1969, p. 135. The straight-off-the-dictation-tape prose makes this book irritating reading for busy people. Community Action deserves a readable history, but there has been none since Martin and Rein's 1967 study, cited earlier.

The Future of "Anti-Pauperism" and Economic Opportunity

In this chapter, the desire to cover the ground, to stress what I know most about, and to stress what I care most about have functioned to create an inadvertent paradigm for the larger disorderliness of "our" thinking. I would like now to step back to see if the developments of the past decade or so lend themselves to making useful general statements.

Two major sources of confusion can be readily identified. The first is the relationship of income-support policy and economic opportunity policy. Quite clearly, one cannot draw a line between the two: inadequately nourished children cannot be expected to do so well in school as those who have full stomachs. Further, adequate medical care, which is sometimes treated as a service, sometimes as an "in-kind transfer," bears closely on economic opportunity, and an array of counseling services (which are sometimes called medical, sometimes not) can affect the likelihood of personal and intergenerational earnings improvements.

On the other hand, I am fully persuaded that too easy income support and the wrong kinds of counseling create a self-perpetuating welfare culture whose typical members do not live as well, materially or psychologically, as their inherent capabilities and the existing job opportunities would permit. The case of mainland-born Puerto Ricans has been recently studied: those outside New York State, ages 25-64, average $1,200 higher incomes than those in the state, with its relatively generous welfare program. Within New York State, mainland and island born Puerto Ricans have a sex ratio of 83 men to 100 women; outside the state, 107 men to 100 women.* It is difficult not to relate these figures to the fact that Puerto Ricans are 16% of New York City's population but a plurality (more than 45%) of its welfare families, and to relate this, in turn, to Podell's attitude study of New York welfare recipients in 1969, which showed Puerto Ricans differing from blacks and whites in tending to be uncritically grateful for "welfare" and devoid of hang-ups about dependency. To me, this seems to validate the turn-of-the-century fears that generous relief programs would retard the acculturation and upward mobility of new immigrant groups.

To the extent that income maintenance policy creates a welfare culture, it becomes an enemy to economic opportunity policy. And there is no reason to expect this problem to be greatly allayed if income-support is extended on equal terms to male-headed families. As discussed in the following chapter, research supports common sense in indicating that husband-wife families with an average of four children apiece are not pauperized by the provision of earnings subsidies. What has not been researched is the extent to which extending "welfare" to such families would promote economically inviable marriages at the earliest legal age. How effectively could inner-city or rural high schools compete with the attractiveness of playing house for a pair of teenagers, if the government were to make up for the low and sporadic earning potential that limits the number of such unions today? How many babies would be born to such fragile marriages? How much better off would these babies be for being legitimate? A flood of teenage drop-out families with little work experience, dim economic prospects, and the expectable high divorce rates is not exactly what the welfare reformers have in mind by extending aid to the "male-headed" family. The outlook for a more congenial relationship between income maintenance and economic opportunity policy in the future may be much less sanguine than is generally supposed.

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*Study by A.J. Jaffe and Zaida Carreras Carleton, reported in The New York Times, April 13, 1975, p. 56.

The second basic source of confusion has to do with the place of the anti-pauperism objective in the larger picture of economic opportunity policy. We can hardly limit our concern to the reduction of indigence, either as a short-term or long-term objective, nor can we limit our attention to bringing people above the poverty line. We are also irreversibly concerned with the cultural obstacles to economic opportunity for minorities and women. While this has an anti-pauperism and anti-poverty aspect, it is more fundamentally related to two other objectives: the individual's "right" to experience and be appropriately rewarded for the full development and use of his talents, and the society's interest in more efficient use of human capital.

These objectives, in turn, extend beyond "minorities and women," constituting the major justification for public education itself, and requiring attention to general considerations of effective basic-skills instruction, adequacy of vocational information and counseling, coordination of vocational training with present/future job-world characteristics, rationality of tracking systems in the schools and of hiring and promotion procedures in the job-world, and the definition of optimal selection and support policies for access to higher education.

It is clear that too much emphasis on one piece of this picture can so derange the whole that even the apparent beneficiaries' long-term interests are ill-served. When a white college professor writes, "I simply cannot judge my wonderful black students in standard terms of spelling, complete sentences, mastery of names and dates, or traditional logic, but must rate them highly for their perceptive understanding of Richard Wright, Malcolm X,...and of the failures of our country,"[*] can anyone suppose that these students are being well served by high grades for "performances which some of my academic colleagues would flunk"?

Equally important are the issues of fairness that economic opportunity policy must confront. It is hard to know what to say to a blue-collar worker who asks why it is all right for the grocer's son to inherit his father's store, but not for the bricklayer's son to inherit a place in the apprenticeship program. (This should be especially troubling to college professors and prestige-college alumni whose children benefit from preference in college admissions.) What does one say to a middle-class black who believes that his reasonably well qualified children lost out to "authentic ghetto types" on admission to Ivy League schools? Is it defensible to set minimum pay levels for jobs funded under the public employment program that greatly exceed the minimum wage for other jobs? Is it reasonable to put money into job-training and placement for welfare mothers when large numbers of men who lack access to welfare are out of work?

Wherever one looks in the area of economic opportunity programs, difficult or "impossible" choices are constantly being made, simply because any action constitutes a choice--indeed, several choices. Take a Headstart program: It is situated in one town or one part of a city rather than another. Its eligibility criteria are set at one level rather than another. The budget is determined so that a particular percent goes to teachers, a particular percent to educational hardware, a particular percent to hot meals, medical care, outreach services. The center is or is not meshed with a "follow-through" program in the schools that some/many/all of its graduates attend. It is or is not closely associated with a WIN program to put welfare mothers to work. It is or is not viewed by many in the neighborhood, City Hall, or Washington as funded at a level disproportionate to its right place among economic opportunity programs. It is or is not seen as a pawn in a power struggle between the local Community Action Agency and City Hall (and/or the Community Fund or organized private charities, and/or in white vs. minority or minority vs. minority organizational struggles).

At least theoretically--and I would guess actually by the turn of the century--income maintenance for the poor can become as tidy and routine as social security for the elderly is today. But we cannot expect economic opportunity policy to do the same.

This is less true if we limit the meaning of the term to the vocationally relevant aspects of education and to equal-opportunity regulation of employment. First, in the equal employment opportunity area, it seems safe to say that reasonable--i.e., enforceable--rules of the game will be functioning about as routinely by the mid-1980's as government-monitored union-management relations in the private sector were by the mid-1950's. As happened earlier with collective bargaining, formal and felt public acceptance of the principle of equal opportunity has reached a stage of consolidation which supports this prediction. This is, of course, not the same as predicting that race and sex differences in average pay will disappear, but that the means will be secured to support a year-2000 projection of only objectively justifiable differences in pay or job rank, so far as blacks and women are concerned. If prejudice persists as an equal employment opportunity issue, the focal points will be other irrational barriers than race and sex, perhaps "credentialism," irrevelant disabilities (ugliness?) and personality traits, or nepotism.

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[*] Letters column, New York Times Magazine, January 24, 1971.

Second, the vocationally relevant aspects of education are so patently amenable to more systematic approaches that one would have to be very pessimistic to say that the next quarter century will not see major measurable advances in the productivity of the schools--in this sense--so far as poor and especially minority children are concerned, and in the transition from school to job, as well as the means for matching workers and jobs in general. Of course, one can sketch socioeconomic scenarios where this does not occur: for instance, because a vast, protracted "maintenance crisis" grips the society, and nothing functions so well as it used to; or because the rise of "post-industrial" values discredits the economic opportunity aspect of education and saps the motivation to improve the efficiency of employment services. More credible to me is that relative disinterest in these objectives passed its nadir during the varied and frightening economic dislocations of the 1970-to-present period. As detailed in the following chapter, we are entering a period of several decades when an unusually large proportion of the adult population will be in the life-stage of child-raising responsibilities and personal progress toward peak earnings. While this may connote a greater concern with personal and family life and problems than with general social issues, it also seems to suggest a firm cultural commitment to work values. A society dominated by families that are struggling with mortgage payments and orthodontia, typically with both spouses working, may have little interest in a new war on poverty but considerable interest in common sense approaches to improving employability and employment among the poor.

Less promising is the future of the second-order aids to economic opportunity--such as legal services, the CAA's, neighborhood health centers--not only because it is not always clear what their relevance is, but more importantly because they offer services to some of the poor that many of the nonpoor would like. While pork-barrel politics may mean that few such services ever go under entirely (and new ones continue to be created), the result is to perpetuate a substantial sector of social policy each component of which is grossly underfunded to reach all the qualified poor; perennially handicapped by fluctuating funds and the fear of a cut-off; viewed with resentful envy by ineligible nonaffluents; and, in many cases, subject to the twin criticisms that there are no "results" (or the wrong kind of results) and that most of the money ends up in the pockets of middle-class bureaucrats and professionals.

Perhaps the heart of the problem is that second-order aids to economic opportunity are not merely underfunded in terms of their availability to the poor but inappropriately viewed as an adjunct to poverty policy. It would not occur to us to make poverty a qualification for access to assistance by the Equal Employment Opportunities Commission, or for admission to the public schools. Why, then, for legal services or Community Action Agencies or neighborhood health centers? Just money--that's why. And, since the growth of income maintenance programs may be expected to continue to crowd the funding for economic opportunity programs, the outlook is for more of the same.

It may be useful here to recall the argument that was made in England in the 1950's that the Beveridge vision of a welfare state--cradle-to-grave security--was feasible only for a poor society, not an affluent one. The standard of adequate security as viewed by an affluent society, it was said, was beyond the means of the state to fund for all. For this democratic aim, it was necessary for the affluent society to substitute the more realistic aim of meeting the minimal requirements of the poor.

This, in effect, has become the position in this country. Our existing universal programs, mainly the schools and social security, are staggeringly costly, and we have shown and are showing great reluctance to add health insurance to the lot, despite the near-uniform practice of other countries. But the commanding ideological preferability of programs that do not set off the poor by an arbitrary line is not dissolved by cost considerations. Income-tested services will always appear unsatisfactory. They will always be funded inadequately to serve all the technically eligible. They will always seem grossly unfair to the barely excluded.

It is improbable that either economic growth or an increased willingness to be taxed at higher rates, or both, will produce significant remedy for these dissatisfactions in the next quarter-century. In the longer run, economic growth may do it, but a second possibility is a partial demonetization of work. If modern preferences change, and we opt for significant increments to leisure, one possibility is extension of the work ethic to the leisure sector. Psychologically, this means social and internalized pressures (such as are familiar to housewives) to prove one's social value by unpaid employment.

The economics of universalistic opportunity and service policies alter radically if significant amounts of skilled (and less skilled) labor become available in adequately disciplined structures without pay. While this requires massive changes of several kinds, these are changes that can occur by evolutionary means, and their development does not entail a parallel diminution in the needs that underlie economic opportunity policy except as those needs pertain to extreme material deprivation. If we are moderately lucky, the poverty line will be raised to eight or ten thousand dollars in the next twenty-five years, but we won't be any happier about what we see below that line than we are now. The need for services and the desire for innovation and experiment will persist. The development of fair formulas for the use of limited resources is not a problem that will disappear by then, but it may be mitigated if we address it now.

CHAPTER VII

SOME INCOME MAINTENANCE SCENARIOS FOR THE NEXT QUARTER CENTURY

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> "It is a common behaviour of the mind, naturally enamoured of simplicity, to build its schemes far away from the annoying complexities of a familiar reality....After this first operation resulting in a rational scheme, that scheme can be used as a rational model against which the disorderly architecture of today can be measured, and thereby condemned."
>
> Bertrand de Jouvenal, Ethics of Redistribution, 1952

How Much Is Enough?

Few people appreciate the magnitude of the change in the federal government's role that has occurred since John F. Kennedy's death. The last federal budget prepared by the Kennedy Administration was for fiscal year 1964, which ran from July 1963 to June 1964. Actual federal expenditures in that year were $120.3 billion, or roughly $630 per capita. Ten years later, in FY1974, actual outlays were $268.4 billion, about $1,278 per American. Projected outlays in the FY1976 budget are $349.4 billion--or $1,635 per person. This last means that, if all federal activities were eliminated and this money were instead distributed equally to all Americans, every family of four would receive $6,540 during the fiscal year beginning July 1, 1975, compared to $2,520 twelve years earlier.

However, these figures tell us nothing about the federal role, except that, in quantitative terms, it slightly more than doubled during a decade when GNP just about doubled; and that it is projected to rise at a rate that, extended to FY1984, would increase it half again as much as in the 1964-1974 decade. Since this long-term projection is presumably invalid even if it turns out to be right (the 1976 estimate being influenced by economic conditions assumed to be short-term), the basic point to be made is that, if one assumes it is acceptable or desirable for national government outlays to rise in tempo with economic growth and inflation, the ten or twelve year period since FY1964 has not been glaringly out of line with this standard.

Several points need to be made about this assumption. First, if one considers high rates of inflation harmful, it is worth noting (1) that government outlays on the modern scale contribute to inflation (a simple example being Medicare), and (2) that, as a debtor, government benefits from rapid inflation (e.g., holders of the familiar Series E bonds have been losing money for years). I will have nothing further to say on these points. Second, one might argue that, in a period of economic growth, government outlays should grow slower than GNP (or even decline), or that they should grow a great deal faster. I will ignore the economic and economic-ideological arguments for these alternative assumptions or contentions, looking only at the social-policy aspect, which derives from one's choice among cultural values (and culture-conditioned perceptions of economic "laws").

Here the alternative contention that government outlays should rise slower than GNP may be rooted in several soils: (1) fear of accretions to federal government power; (2) association of greater inefficiency or insensitivity with federal-government than with private (or other government) operations; (3) the assumption that a disliked ordering of federal spending priorities (e.g., excess emphasis on military or "welfare" outlays) is immutable; (4) ideological or sentimental preference for keeping more money in the private sector; and (5) practical preference for retaining more discretionary income oneself. This last, of course (like the rest), is not limited to the rich. There is evidence, for instance, that lower-income people prefer regressive sales taxes to the progressive income tax, simply because some goods are typically exempted from the former, allowing the taxpayer to feel that he has a choice.

The second alternative--that government outlays ought to rise *faster* than GNP--rests on reverse reasoning: (1) support of more government power, distrust of private power, or indifference to the power issue; (2) association of federal government activity with greater efficiency or sensitivity than private (or local government) activity; (3) satisfaction with existing trends in the mix of federal government programs, or belief that the mix can be modified; and (4) ideological or sentimental preference for the enlargement of the public sector.

What We Are Buying

Changes in the mix of federal outlays since FY1964 have been dramatic, and they have been such as to win the approval of those whose reading of the Preamble to the Constitution stresses "promote the general welfare" rather than "provide for the common defense." However, while "poverty war" and other opportunity programs loomed large in public awareness of the change, overwhelmingly the greatest increases have been in programs that provide cash or "in-kind" income support, with the greatest share going to the elderly.

In order to establish a baseline for consideration of the future of this aspect of the federal role, I will start by comparing outlays for FY1964 with estimated outlays for FY1976, and I will then briefly describe the major existing income-maintenance programs. The discussion will be limited to programs or combinations of programs with projected FY1976 outlays of $5 billion or more. Also, federal pensions for career civilian and military employees will be ignored. (These pensions accounted for $3.5 billion in FY1964, $10.8 billion in FY1974, and an estimated $14.8

TRENDS IN FEDERAL INCOME SUPPORT OUTLAYS, FY1964 TO FY1976

(Dollars in Billions)

	1964	1974	1976 (EST.)
1. Social Security (OASDI)	$16.6	$54.9	$73.3
2. *Supplemental Security Income(SSI)		**2.3	5.5
3. Aid to Families with Dependent Children, plus housing assistance	3.0	7.2	7.8
4. Food Stamps; other food assistance	.3	4.4	***5.7
5. Medicare	****.9	11.3	16.4
6. Medicaid		5.8	7.8
(#5 and #6 combined)		(17.1)	(24.2)
7. Veterans compensation and pensions	3.9	6.5	7.3
SUBTOTAL	$24.7	$92.4	$123.8
8. Unemployment insurance	3.7	6.1	18.2
TOTAL	$28.4	$98.5	$142.0
9. Military outlays, including military aid, pensions, atomic energy	54.2	78.6	94.0
10. Total Federal outlays, including other categories	$121.2	$268.4	$349.4
11. #1-7 as % of #10	20.4%	34.4%	35.4%
12. #1-8 as % of #10	23.4	36.7	40.6
13. #9 as % of #10	44.7	29.3	26.9
14. Ratio of #11 to #13	.46	1.17	1.32

*This program, which nationalized public assistance to the aged and disabled, became effective in mid-FY1974.

**Includes pre-SSI funding for aid to aged and disabled.

***This and several other estimates ignore Ford Administration funding-cut recommendations.

****Total Federal grants and payments for hospital and health care in non-Federal facilities.

Sources: The Budget of the U.S. Government, 1966 and 1976.

billion in FY1976. As a percent of total federal outlays, they were: 1964=2.9%; 1974=4.0%; 1976 (est.)=4.2%.)

Table 1 on the preceding page shows absolute dollar payments (unadjusted for inflation) for cash and in-kind support. Unemployment insurance payments are segregated because of their extreme variability. Ignoring these payments, we see (#14) that income maintenance accounted for less than half the outlays of national defense in FY1964, and is expected to account for nearly a third more than national defense in FY1976. This is clearly the major development of the twelve-year period. Excluding unemployment payments and "normal" military and civilian employee pensions, income maintenance for nonearners and low-wage earners has increased from a fifth to over a third of all federal outlays.

Table 2 shows the changes in distribution of federal payments among the categories number #1-7 in Table 1:

Table 2

APPORTIONMENT OF FEDERAL CASH AND "IN-KIND" SUPPORT PAYMENTS, FY1964 AND FY1976 (EST.)

	1964	1976
Total (in billions)	$24.7	$123.8
Social Security payments	67%	59%
Public assistance and housing	12	11
Medical care payments	4	20
VA pensions, compensation	16	6
Food programs	1	5
	100%	101%

Quite clearly, the major change in the distribution of a vastly increased total stems from the introduction in 1965 of provider-reimbursement for medical care of the elderly, disabled, and poor. If we exclude the medical component and adjust the total, the only single changes of great significance are the reduction in the relative share of the VA programs and the increased food subsidies to consumers:

	1964	1976
SS	70%	74%
PA	13	13
VA	16	7
Food	1	6
	100%	100%

The changes in the Federal budget have, of course, not been evenly distributed over the twelve-year period, nor did FY1964 start a period of exceptionally rapid growth. Federal outlays grew by 39% between FY1955 and FY1959, by about 30%, FY1959-FY1964; also, despite the initiation of the "war on poverty," they were slightly lower in FY1965 than in FY1964. The average annual rate of increase was about 11% for the FY1964-69 period, 9% for FY1969-74, and is estimated at about 15% for FY1974-76. Meanwhile, federal deficits have assumed major proportions in the Nixon/Ford Administration. Starting in FY1971, only one year (FY1974=$17 billion) has seen a deficit of less than $23 billion. By contrast, the Johnson deficits averaged $7.2 billion, FY1965-69, and most of this was accounted for by a huge $25.2 billion deficit in FY1968, reflecting exceptional outlays for the Vietnam War.*

The increases in social security payments have been concentrated in the recent period: between FY1969 and FY1974, the annual rate of increase averaged 20%, compared to 12% in the preceding five years. The comparison is even more pronounced for the food programs (food stamps now accounting for about two-thirds of the outlays, other major items being commodities distribution and school lunches). These programs nearly doubled their outlays, FY1964-69, but the average annual increase between FY1969 and FY1974 was more than a hundred percent. At least by contrast, the increases in the medical, veterans, and public assistance programs have been fairly evenly distributed over the years since the mid-1960's.

Several relative generalizations may be made about the major programs:

--Social security: rapid growth in per capita benefits; relatively slow growth in numbers receiving benefits; benefits now indexed to CPI;

--Public assistance for the aged and disabled: slow growth of benefits and no growth in numbers of recipients until Jan. 1974; subsequently, as SSI, increased recipients and, in the poorer states, increased benefit levels; benefits now indexed to CPI;

--Public assistance for families with dependent children (AFDC and AFDC-U): moderate growth in per capita benefits; rapid growth in numbers of beneficiaries; both tending to stabilize in early '70's; numbers are less recession-sensitive than prior to mid-1960's, at least for the larger metropolitan areas;

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*Interest on the debt accounts for about 10% of Federal outlays now, compared to 8% in FY1964.

--Veterans programs: slow increase of benefits and recipients;

--Unemployment insurance: substantial improvement of coverage; some benefit improvement;

--Medical programs: little change in benefits or recipients; rapid rise in price of benefits.

"Uncontrollable Commitments"*

The cost control ambitions and, later, the large budget deficits of the Nixon Administration triggered serious concern with what are termed uncontrollable budget commitments and outlays. The bulk of these commitments are in the income-maintenance area, where several types of "uncontrollability" may be distinguished.

Social security, far and away the largest such program, has attracted recent notice not only because of a sequence of benefit improvements but because the provision of a cost-of-living escalator reduces the precision of outlays forecasts. There is no reason in law why Congress could not eliminate the escalator or reduce benefit levels, but the latter has never been done in the 35-year history of the program. Also, the concept of a social insurance program supported by "comtributions" makes the elimination of any eligibility categories politically unthinkable.

Medicare, while technically part of the social insurance system, is new enough so that existing benefit characteristics are not sacrosanct, but previous efforts to stem its cost-rise by reducing benefits have not availed. Its uncontrollability is, therefore, best viewed as partially like that of social security--disqualifying categories of recipients is unthinkable--but also as a function of the open-ended and inflationary method of funding health care by reimbursing doctors, hospitals, nursing homes, etc., for services rendered. Means to control include price controls, making reimbursement contingent on a review procedure, or substitution of a contract system involving prepayment for some or all services ("capitation") on an annual basis.

Medicaid is uncontrollable in a similar sense to Medicare, but also because the numbers eligible vary with the state of the economy, this being a means-tested program. Public assistance, food stamps, and (of course) unemployment insurance share the potential for a great increase in outlays in the event of a major protracted economic downturn. The renationalized old age and disability public assistance program (SSI) represents yet another configuration: it is inflation-sensitive because of a CPI escalator; it is probably somewhat unemployment-sensitive because it is a means-tested program. The patterns for all of the programs are schematically represented in Figure 1:

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*This section is indebted to a survey by Michael Sherman, "Uncontrollable Expenditures: The Case of Social Security" (HI-2216-DP), Feb. 13, 1974, but the conclusions are my own.

Figure 1

"UNCONTROLLABILITY" CHARACTERISTICS OF THE MAJOR
FEDERAL INCOME SUPPORT PROGRAMS

	INFLATION-SENSITIVE	UNEMPLOYMENT-SENSITIVE	"INSURANCE" OBLIGATIONS	STATE ACTION
Social security	X		X	
SSI	X	?		
AFDC		X		X
UI		X	X	X
Medicare	X		X	
Medicaid	X	X		X
Food stamps		X		

As Michael Sherman has noted,* the concept of uncontrollable outlays is susceptible to political manipulation. The Brookings Institution budget analyses show "mandatory expenditures" amounting to 55% of federal spending, while the Office of Management and the Budget (OMB) designates nearly three-quarters as beyond quick control. These differences allow a liberal organization to identify significant latitude for the introduction of new programs, a Republican administration to declare that no such leeway exists. Also, of course, calling expenditures uncontrollable permits an Administration to extenuate failure to control them, and to pass the buck to Congress.

Nonetheless, the concept is unquestionably valid and important, and it tells us a great deal about the change in character of the Federal budget since the Kennedy Administration. The jump from 20% to 35% in the part of the federal budget that goes to provide the elderly and poor with the necessities of life means that the federal government itself has changed. It has drifted into a set of obligations that are incomparably easier to enlarge than to reduce. Taking duplications into account, at least a quarter of the American people derive all or a substantial part of their support from social security, SSI, AFDC, or veterans pensions.

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*Sherman, op.cit.

The Aided

Who are these people? Obviously, a substantial fraction are elderly, but it can hardly be more than two-fifths, considering that there are only 21 million elderly Americans altogether. Of these elderly Americans, some 16% in 1973 remained below the poverty line after receipt of government cash transfers, but this figure might be halved if the substantial value of food stamps, Medicare, and Medicaid, and the lesser value of housing assistance were taken into account. In any case, it compares to 35% in 1959, and to 25% as recently as 1970.

Social security, the principal program of aid to the elderly, suffers increasingly from identity confusion. Designed to serve the earnings-replacement function of social insurance, its payment schedules have been repeatedly revised to favor low-income workers: that is, to serve anti-poverty ends. Both of these objectives may be cited in terms of their successes--the 1972 Social Security amendments are estimated to have removed nearly two million people from poverty; over-all, after discounting for a 38% CPI increase, real incomes derived from social security improved by 22% between 1970 and 1975--but they may also be cited in terms of failures, absurdities, and inequities. I will return to discussion of this subject later.

The other substantial program to provide cash to the elderly is Supplemental Security Income (SSI), the recently nationalized public assistance program for the aged, blind, and disabled, administered by the Social Security Administration but funded out of general revenues. As of mid-1974, the program (which now has a cost-of-living escalator) provided minimum annual income of $1,752 to a single person, and $2,628 to a couple. About a quarter of all social security recipients have low enough incomes to qualify for SSI supplemental income, and about seventy percent of SSI recipients also get some money from social security. Eighteen percent of the elderly get both, as do many nonelderly disabled and their dependents. In both cases, a further overlap exists with the Veterans Administration pension and compensation programs. These latter support individuals with service-connected disabilities which impair earnings power, plus other elderly and disabled veterans (or their survivors) whose incomes are in the qualifying range.

The second class of Americans with substantial dependency on the government is female-headed families with minor children. In 1973, there were over four million families of this type, of whom nearly two million had incomes below the poverty line. If we count children rather than families, over half of all children in female-headed families are poor, and over half of all poor children are in female-headed families. On a simple calculation, AFDC has provided benefits in recent years to virtually all low-income female-headed families with children. In fact, the combination of benefits and earnings (about a sixth of AFDC mothers work) raises a significant number of the aided families with school-age children above the poverty line, so the coverage rate for the poor is lower than it appears. However--again--the counting of the poor does not take the value of food stamps, Medicaid, or housing assistance into account. These may be conservatively judged to add $2,000 to the purchasing power of the average AFDC family.

While AFDC, with over 3 million families,* is much the largest program providing income to female-headed families with minor children, social security currently pays survivors' benefits to nearly two million mothers and children in 570,000 families headed by a widow. These benefits are based on 75% of the deceased husband's earned entitlement for the mother and 75% for each child up to a family maximum amount. At the lower levels this maximum is higher than the deceased husband's average monthly wages since 1950, but the interplay of per capita benefits and maxima based on prior earnings produce the anomaly that average payments are higher for two-child families than for those with three or more children: i.e., on an annual basis, $4,692 and $4,535. Over the past decade, the maximum possible income from social security for a widow-headed family increased dramatically: from $3,048 in 1963 to $9,850 in 1973.** However, it should be stressed that at the higher income levels, the earnings replacement rate entails a drastic reduction in standard of living, unless there is income from other sources: that is, average monthly pay since a man*** started to work (or since 1950) is likely to be far below pay at time of death.

While there is no recent recipients-study of this part of the social security program (one is planned for 1976), a 1963 study indicated that four-fifths of all widows with minor children in the country were receiving benefits. Nonwhites were 16% of the recipient families and 21% of the recipient children. (In 1973, blacks were a slight majority of all children in female-headed families.) Social security was the major income source for two-thirds of the benefiting families, although 65% of the widowed mothers had some earnings, and (inter alia) 19% were receiving veterans' survivors pensions--yet another illustration of the incredible overlap of federal income programs. Three-fifths of the aided families had equity in a nonfarm home, but other assets averaged value of only $160. In terms of assets, these widow-orphan families were somewhat worse off, as a group, at the end of the survey year than at the beginning.****

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*About 9% of these are male-headed (AFDC-U).

**This increases with the top income taxed for SS: in 1973, $13,200, currently $14,100.

***Or a woman. A 1975 court decision equalizes the survivor benefit provisions for widowers and widows with children.

****Erdman Palmore, et al., Widows With Children Under Social Security, SSA Research Report No. 16, 1966. A study based on the Current Population Survey has just been published: Lucy B. Mallan, "Young Widows and Their Children: A Comparative Report," Social Security Bulletin, May 1975, pp. 3-21.

In addition to the 1.8 million social security beneficiaries in widow-orphan families in 1973, social security supported 1.5 million orphaned children in nearly a million families where the mother herself, because of remarriage primarily, was not qualified to receive benefits. Average payments to these families were $2,341, peaking at $4,042 for families with two children. Unlike the widow-orphan group, which was roughly the same size in 1973 as in 1963, these orphans-only beneficiaries had more than doubled in the decade (from 700,000). The total for the two categories was 3.4 million widows and orphans, a not inconsiderable 11% of all social security recipients and a somewhat higher percent of social security outlays.

By comparison, AFDC fully or partially supports 11 million people, 8 million children, 3 million families, with an average monthly payment per family slightly over $200 at the start of 1974. Again, there is some overlap with the social security survivors program. In the nature of its constituency, AFDC has been much more responsive than SS to the increase in total female-headed families with minor children from 2.5 million in 1963 to 4.1 million ten years later. In this decade the number of families aided tripled, while total money payments rose from $1.4 billion to $7.2 billion (perhaps $12 billion including the non-federal share). A small part of the increase came from the introduction of a supplementary program for families with an unemployed or under-employed father (AFDC-U), currently provided in 25 states, but these families are less than ten percent of the total. The black percentage has increased relatively little since the 1950's, when it explosively increased. It is now about 48%. In New York City, more welfare families are now Puerto Rican than black, while Chicanos are a dominant factor in the southwestern states, where, an analysis of 1970 census data indicated that they comprise 17% of the urban population but 79% of the urban poor.

According to government surveys, AFDC mothers average 31 years of age (considerably younger than SS-widow mothers) and have 2.8 children. Three-quarters did not complete high school; 18% hold full or part-time jobs or are in training programs; and 11% are classified as incapacitated. These mothers have a 20% chance of leaving the rolls within the year but, for those who leave, a 33% chance of returning.*

Next to the elderly and female-headed families with minor children, the largest category of the government-supported is the disabled. The public assistance categories of the blind and disabled are included with the old in the nationalized SSI program. These (blind and disabled) number about 1.4 million people, including dependents. There is much overlap among these SSI recipients and the 3.6 million disability-benefit receivers under social security and the perhaps 3 million non-aged disabled (and dependents) who receive compensation or pensions from the VA. While most of the disabled conform to one's mental image. SSI also supports some unexpected categories, for instance, heroin addicts who are in treatment programs. The disabled and their dependents accounted for 9% of the poverty population in 1970 (up from 3% in 1960); in absolute numbers, 2.2 million people. In 1973, social security payments to disabled workers averaged $2,138, but this average rose to $4,394 where the worker had a wife and children: these were nearly a quarter of the disabled-worker households aided by SS.

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*HEW Welfare Reform Task Force Paper K, "The Demographics of Low Income Households," 1971 data.

Several marginal categories of the federally-supported may be mentioned. Under social security and, in most states, under AFDC, youth 18 to 21 in aided families are eligible for continuing assistance if they are in school. While I do not include them elsewhere, the substantial "G.I. bill" and HEW higher-education assistance programs also may be construed as partial income support. In the 1976 budget projections,[*] these amount, respectively, to $4.2 billion for 2.5 million veterans, and $1 billion for 1.3 million undergraduates from lower-income families. Also, the "near-old," ages 62-64, not uncommonly accept the social security option of early retirement at reduced benefits, health problems being the most common reason for men. In recent years, over half of all new SS awards to retired workers have entailed reduction for early retirement: this means about 800,000 people per year.

Finally, we reach the residual category of the typical American families headed by a nonaged, nondisabled male. Families of this type with children under 18 still account for a third of the poor, and those with no children under 18 (including one-person male households) for another 7%. Also such households account for 63% of the 21 million Americans who live in households with incomes between the poverty line and 150% of the line. All told, about 23 million Americans live in male-headed households with incomes less than 150% of the poverty line.[**]

There is no federal income-support program explicitly targeted on this group. If the husband is unemployed or works less than 30 hours a week, and there are minor children, and asset limits are not exceeded, and the family lives in one of 25 states, assistance under AFDC-U is possible. However, the take-up rate for this program has tended to be low, possibly because of the stigma of welfare, possibly because of lack of information or incorrect information.

Second, irrespective of income, unemployment insurance payments are now available to most workers, assuming they have a sufficient record of continuous employment to qualify and have not been unemployed so long as to exhaust their benefits. The earnings-replacement rate differs by states in this federal-state program, although the tax rate is the same in all states, but it averages near fifty percent. However, as Martin Feldstein and others have pointed out, the payments are not subject to income or social security taxes and they are calculated independently either of the earnings of other family workers or of unearned income. Like social security, unemployment insurance was designed in the social-insurance rather than the anti-poverty frame of reference. Unlike social security, it has not been modified to improve aid to the poor, other than by the gradual extension of coverage. It offers the least protection (often none) to those who need it most. However, the converse is not necessarily true: involuntary job loss can be a major crisis at higher earnings levels.

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[*] Education, training, and rehabilitation.

[**] These are 1970 figures.

Third, food stamps supply substantial restricted-use income to people who meet income criteria, irrespective of family or household type. In February 1975, 18.4 million Americans received food stamps, an all-time high. However, the currently eligible population, based on income, is estimated at 46.7 million people in 15.7 million households; in other words, the take-up rate is not much over one-third.* Since the program has been widely publicized (although the Congressionally mandated formal "outreach" activities have been minimally funded), this low take-up is probably explicable in terms of (1) assets in excess of the $1,500 allowed (excluded from assets are homes, a car, life insurance, income-bearing real estate, and other items); (2) erroneous assumption of noneligibility; (3) inadequate felt need to justify the complicated, privacy-invading applications procedures; (4) fear or experience of demeaning treatment by the local program administrators; and (5) fear of social stigma and embarrassment.

Thus, food stamps, although technically available to, for instance, four-person families with incomes below $8,000, and seven person families with incomes below $11,000, in practice serves mainly the same clientele as other income programs that are limited to female-headed families or the elderly. However, even for actual recipients, income levels are often fairly high, although the actual value of the food stamps to the users is small for higher incomes--e.g., $18 dollars per month (in 1974) for a three-person family with $5-5,999 net income, and $32 for a six-person family with $9-9,999 net income.

In 1973, 26% of households receiving food stamps had net cash income of $300 per month or more, but the figure rises to 49% if all kinds of income are calculated (again, on an after-tax basis). Of all participating households, 44% lived in central cities; and blacks comprised 37% of the total. Average net income was lowest for whites and highest for the Spanish-speaking. Almost two-thirds of the food stamp households were female-headed, including three-quarters of those with a family head under age 35. Elderly households accounted for 27% of the total. Fifteen percent of all adults in food stamp households were retired; nine percent were in the labor force but unemployed; 10% were employed part-time, 11% full time. Among the adults who were not receiving public assistance, the full time and part-time employed, the unemployed, and those not in the labor force each accounted for about a quarter, with percentage employed being higher for blacks than whites.*

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*My calculations are derived from data in Basil Candela, "Overview of the Food Stamp Program," Hudson Institute Discussion Paper (HI-2205-DP), February 1, 1975. Based on income, they overstate eligibility by ignoring assets.

Thus about a third of food stamp households were male-headed in 1973, but the recession-related increase in participation will probably have increased this figure, and one may guess that those who have once entered the system will be unlikely to leave it unless they exceed eligible income. Also, if Congress were to shift the basis for the stamp allotment from the "economy" to the "lower" budget--this has been advocated on the ground that the economy budget is intended only for emergency use--four-person households with net incomes over $10,000 would become eligible, and this would be expected to further increase the male-headed percentage of participating households.

Households headed by a non-aged male may also qualify for Medicaid as "medically indigent" in some states, although the soaring costs of the Medicaid program have resulted in drastically reducing the eligibility for this group, and nearly making Medicaid the medical arm of the public assistance programs. However, in 1970, 24% of Medicaid benefits went to families with incomes of $5-10,000 and 9% to those with higher incomes. Probably a majority of these families were male-headed; at the upper end, the families must have been quite large.**

The Brookings analysis from which the Medicaid data are taken also treats the $3.8 billion in 1970 income tax deductions for medical care as a government subsidy. I mention this to indicate that the picture of who gets what changes radically if "tax expenditures" are taken into account, although this means little relief for the lower-income male-headed family. Considering Medicare, Medicaid, and income tax deductions together, Brookings concludes that, for Americans under age 65, 45% of federal medical "benefits" went to people with income of $10,000 or over in 1970; for those 65 and older, it was 29%.

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*National Survey of Food Stamp and Food Distribution Program Recipients: A Summary of Findings on Income Sources and Amounts and Incidence of Multiple Benefits, Paper No. 17, Studies in Public Welfare, prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee, Congress of the U.S., December 31, 1974, p. 9.

**Charles Schultze, et al., Setting National Priorities, The 1974 Budget, The Brookings Institution, 1973, p. 112.

Trends in Federal Income Support

Social security, since its inception at the end of the Depression, has been repeatedly amended to broaden eligibility: adding survivors benefits in 1939, disability benefits in several stages extending through the Fifties, and later, payments to noncontributors who managed to survive to age 72, and early retirement at reduced benefits. After a period of lag, benefit improvements have occurred since the late Sixties at a substantially higher rate than the cost-of-living rise, and a cost of living escalator is now part of the program.

The SS tax rate has risen in parallel, resulting in heightened criticism of this funding method. As a flat rate, starting with the first dollar of earnings, the tax is especially burdensome to people with low earnings and/or large families. Because of the ceiling on taxable income (now $14,100), the regressivity is aggravating to people near this ceiling--comparing themselves to someone earning $100,000 for instance--and to families whose combined earnings above the ceiling are double-taxed because both husband and wife are employed. However, under present law, each increase in the taxable-earnings ceiling means an increase in maximum benefits to relatively affluent people, and this is distasteful to those who would like to subordinate the earnings-replacement to the anti-poverty role. Also distasteful to many is that unearned income, however large, does not reduce benefits, while earnings above a set level (now $2,500) are "taxed" at a rate of 50%. This characteristic of the program is often interpreted as exacerbating a reduction in employment rate of elderly men which has amounted to a change from 58% to 29% employed since 1940. (The employment rate for elderly women has vacillated in the 9-10% range.)

The trend in the federally subsidized public assistance programs (also initiated under the Social Security Act of 1935) has been toward ever-increasing numeric dominance of the AFDC (formerly ADC) category, as more and more of the elderly and disabled came to be supported by social security. In 1974, full funding of the residual elderly, disabled, and blind poor groups was assumed by Washington, raising benefit levels substantially in the poorer states (and thereby increasing the numbers eligible), but requiring major supplementary appropriations by the more affluent states to retain pre-existing benefit levels. Since the SSI program is used to supplement low social security benefits (and the first $20 per month of SS benefits are discounted), it has to some extent eased the burden on social security of trying to accommodate the social insurance and anti-poverty roles.

Major changes in AFDC were instituted in the Sixties--the major earlier changes having been in the characteristics of the clientele rather than the regulations. Residence and other obstacles to enrollment were greatly eased, under pressure from the courts. Benefit reduction for working mothers was substantially liberalized: the first

$30 and 30% of the rest of monthly earnings were discounted, and a generous construction was placed on discountable work expenses, including child care, automobile, clothes, and grooming. Also, some male-headed families became eligible for support in some states. However, the trend in the past few years has been toward tightening eligibility, as symptomatized by such newspaper headlines in recent months as "States Get Right to Force Welfare Mothers to Work" and "H.E.W. Moves to Spur States to Seek Out Deserting Fathers."

Food programs, originally an adjunct to the support of farm prices, have become a major anti-poverty weapon in the mid-1970's. The food stamp program has been reformed so that the poor are no longer required to buy all their monthly stamps at once. Free stamps for the poorest households have been instated.[*] Regulations have been liberalized for people 60 and over, and made more stringent for college students and other quasi-poor groups. While the program is state-administered, an amendment mandating full implementation of the program had dramatic effect: for example, in June 1973, Texas had 412,000 participants in 31 "project areas"; by June 1974, 1.04 million in 254 project areas.[**]

Because of the nationally standardized benefit levels, food stamps reduce the inter-state disparities in poverty aid. A Brookings analysis using 1973-4 data showed the difference between the average monthly AFDC payments in the five highest and five lowest paying states to be $248; with food stamps included in the calculation, the difference dropped to $176.

Veterans pensions are, of course, the most venerable federal income support programs. According to estimates at the time, in 1910 half of all native born white males ages 65 and older were receiving veterans' pensions--outside the South it was two-thirds--with peak Federal outlays on the order of $150 million a year. While the modern programs are formally means-tested, the non-dole traditions of the system (probably in combination with low levels of support, relative to welfare) have meant a dignified, nonintrusive style of administration. In addition to compensating the war-disabled for loss of earnings power, the program has used its aid to veterans with non-service-connected disabilities as a residual for the lacunae of other programs, treating old age as, per se, a qualifying disability.

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[*] Food stamps can only be used to purchase food except in Alaska, where they may be used to buy non-explosive hunting and fishing equipment.

[**] Cited in Basil Candela, op.cit., p. 6. Some southern states were early and strong participants.

What's Coming?

--What's Wrong?

Some people ask: What's wrong, and what can be done about it? Others ask: What's ideal, and how can we move toward it? Of these four questions, only the first can be somewhat separated from the others, partly because it can be partially answered without specifying an ideal, and partly because there is a fair consensus on the answer.

What is wrong with our income support programs is that, over the past decade, they have grown with great rapidity and no coordinated planning. At one point in preparing this chapter, I sketched a matrix showing the 42 possible pairings of Programs #1-7 in Table 1. The matrix is not included because I discovered that it had no empty cells: eligibility for each of the seven programs overlaps with all of the others. Some family somewhere may actually be participating in all seven. Certainly, three is quite common: for instance, AFDC, food stamps, and Medicaid. Four is fairly common for the elderly poor: social security, SSI, Medicare, and Medicaid. An elderly poor family might additionally qualify for food stamps. The veterans' programs usually are accompanied by others, because their benefits are lower in many states.

This multiplicity of programs can be described as wrong in several senses. First, there is the costly duplication of bureaucracies. Second, no one really knows what is going on. There is no inventory of recipients to tell us who is getting what. Indeed, as I write this, at least one organization is advertising for bids on a research contract to develop a model of the combinatory possibilities for elderly people with various characteristics in four states of the Union. However, several things are known by logic and examples, if not with respect to the actual numbers involved nationwide. Multiple benefits fairly commonly mean purchasing power which greatly exceeds that of many full-time workers. Also, multiple benefits mean "notches" in the system. As earnings rise, some people must lose several kinds of assistance at once. For some possible combinations of personal and program characteristics, an increase of a $1,000 in earnings would mean a net loss. However, the typical cases of this involve Medicaid, the assigned value for which arbitrarily averages the medical expenses of healthy and sickly people. This is one reason why there is less to the notch argument than meets the eye for many people, although it intensifies the argument for others.

A second reason to be skeptical is the difference between economists' perceptions and others. For a decade or more, economists and others who are versed in the concept of a negative income tax have been using a metaphorical term to the point of forgetting that it is metaphorical. That is, because welfare benefits are reduced as earnings rise, this is termed a "tax" on earnings. The "implicit tax rate" is said to be 40 or 67 or 100 percent. Also it is said that the welfare mother is "allowed to keep" X-percent of her earnings. One occasionally even encounters such statements as that welfare mothers are taxed at the same rate as the President of Podunk Electric.

It is doubtful that any flesh-and-blood benefit recipient thinks in these terms unless forced to do so, as he or she is by social security, where a 50% "tax rate" starts abruptly at the $2,501st dollar of earnings. Changes in this ceiling on "untaxed" earnings have been documented persuasively as affecting the work-decisions of the elderly. However, food stamps or AFDC is quite different. The recipient of AFDC does not see herself "allowed" to keep some part of her earnings. She keeps all her earnings, except for what goes to normal payroll taxes. What is reduced is the amount of her check from the government, and the bonus value of her food stamps. This is normal. It is what she expects. It is how the system works. So long as the rate of benefit reduction does not reduce her income after taxes and work expenses, the rate is probably the least of the factors affecting her decision to take a job or move to a better-paying job or work longer hours. Given present policies on the determination of allowable work expenses, it is doubtful that even the subtraction of a dollar of benefits for every dollar of net earnings--a 100% "tax rate"--would, per se, be a significant deterrent.

While the foregoing is speculation, the testing of a number of combinations of income guarantee and "tax rate" in the New Jersey income maintenance experiments indicated that these differences did not affect the labor supply of the male-headed families that participated. And the point is an important one, since a low benefit reduction rate greatly increases the costs of providing a given basic benefit. If a high rate cannot be shown to reduce the incentive to work, we acquire much more latitude in the design of future programs.

Nonetheless, nearly everyone would agree that the haphazard combinations of benefit-reduction rates (and, of course, of benefit-increase rates if earnings fall) is part of what is wrong with the existing situation. The irrationality and unfairness of life are conspicuous enough without enhancement by the federal government.

So we have the costly duplication of bureaucracies, the fact that no one knows precisely who is getting what, and the documented and theoretical cases of irrationality. A fourth problem is lack of standardization of AFDC benefit and eligibility provisions among the states. However, the contrary case of SSI shows us how tricky this one is. Any national standardization will raise benefits in some states and lower them in others. More precisely, the promise of total national assumption of costs will be hollow for some states; if they are to maintain preexisting benefit levels, they will have to spend substantial sums. Thus the noncontroversial phrasing of the point may have to be that benefits ought to be higher in certain states, rather than that they ought to be standardized. But, as we have seen, the addition of food stamps to the mix (or mess) has served this objective, significantly narrowing the extremes of interstate differences in average payments.

Thus, as I mentioned in Chapter I, some liberals have been moved to rethink their position on welfare reform as usually construed. If one desires the politically feasible maximum of government payments to low-income people, it becomes important that 1975 is not 1965, or even 1969. A simple, consolidated program combining projected FY1976 federal outlays for AFDC, SSI, VA pensions, and food stamps, and the nonfederal share of AFDC would total about $31 billion, equivalent to more than $1,300 for every "officially" poor man, woman, and child in the country. A similar line of reasoning dismisses the idea of transferring the funding of social security to the income tax, simply because the latter would have to be raised by 45%.

Thus we encounter a major obstacle as soon as the question, "What is wrong?" is linked to a policy objective, rather than to general principles of neatness, rationality, and fairness. Correcting what is wrong becomes, possibly, more attractive to conservatives than to liberals. It becomes possibly more promising as a means to control costs than as a means to improve the material status of the poor.

This may be a price that liberals are willing at least temporarily to pay (or to allow the poor to pay) in exchange for desired reductions in administrative discretion and obnoxious paternalism at the local level, a problem that exists especially for AFDC and food stamps. I have elsewhere dealt with my own qualms about this "problem." Suffice it to say that the drawbacks and hazards of depersonalized, centralized program administration are major enough to remain an influence on social policy in the future.

Then there is the huge sore, beginning in 1965, of the medical component of federal income support. Federal outlays for Medicaid are equal to 57% of the combined federal expenditures of AFDC and SSI. Medicare is projected at $16.4 billion for FY1976, yet average out-of-pocket medical expenditures for elderly people have for several years been higher than when Medicare was introduced and account for more than half of their medical expenses. Of all "uncontrollable commitments," these are surely the most problematic because their cost has so far exceeded the gloomiest forecasts, and because they do not merely bear on "equal protection" (indeed, the protection is glaringly unequal) but on the right to life itself. We do not know what constitutes an appropriate comparison. For example, in FY1971, Medicare and Medicaid outlays, partially meeting the medical needs of about 47 million people, cost about seven and a half billion; in the same period, the British Health Service met most of the medical needs of a country of 55 million at a cost equivalent to $1.5 billion in U.S. dollars. Obviously, U.S. material living standards are much higher than the British; obviously, the elderly and poor are an exceptionally costly clientele. Equally obviously, our outlays have more than tripled in the subsequent five years, yet the non-indigent poor and near-poor are less likely to be covered than earlier. The medical program are the albatross hanging about our necks. Despite enormous outlays, the horror stories of ruination from medical bills continue unabated. The wildly varying outlays among states per person aided under Medicaid dwarf the inequities of other programs. Until we find means to address this eruption of problems, a balanced mix of social policy outlays will remain beyond reach.

--What is Ideal?

The preceding discussion has shown that the question of what can be done about what is wrong with our income maintenance programs cannot be addressed except in minor ways without reference to nontechnical objectives. In Chapter IX, I attempt to define "consensus objectives" for the full picture of national social policy, but this is much more difficult for a single component such as income maintenance. Here the spectrum of attitudes must be viewed as constituting to some extent a polarization of those who think the government's proper business is to create a just society and those who think its business is to run and regulate limited functions of an existing good society (at least, a not bad one--but about two-thirds of the public would say a very good one). Germane to this polarization is the distinction between a view of the tax system as assessing a fraction of our rightful incomes to achieve socially desired ends that we cannot so well, or at all, achieve as individuals, and the contrary view that the tax system is or should be primarily a means for correcting a wrongful or irrational initial distribution of income.

In connection with this construction, the traditional view favors the basic rationale of social security and unemployment insurance, regarding the partial earnings-replacement function of such programs as appropriately attuned to the uncertainties of life across a wide range of incomes and to the importance of relative deprivation. Essentially, SS and UI say that the beneficiaries have earned their benefits; there is a general implication of legitimacy to the initial earnings distribution. And we have every reason to believe that most of the public sees it this way--in the main. As noted in Chapter II, an attitude survey fifteen years ago showed that most people were not aware of the distinction between proportional and progressive income taxes, and that the public did not think of the tax system as redistributing income at all, but as assessing citizens by reference to simple ability-to-pay criteria.

This construction also bears on the concept of "tax expenditures." If the government's role is to create the right distribution of income, it is entirely bizarre that policies to encourage such social objectives as charitable contributions, home ownership, and adequate medical care should be pursued by a means which results in "allowing" the wealthy to retain many more dollars of income than the nonaffluent. But if the initial distribution of income is regarded as legitimate, tax policies to provide incentives to certain behaviors are reasonable, and the progressivity of the incentives is a logical correlate to the fact that the tax itself is progressive. However, one may in any case wish that a ledger of revenues-foregone be maintained (and this is now a part of federal budgeting procedures), and all of the objectives that "tax expenditures" serve may be separately appraised as to whether direct subsidies or tax credits would be preferable means to the end. In other words, here and elsewhere, differing concepts of property rights need not always or often polarize policy preferences.

However, the issue cannot be ignored in connection with income support of people who are not in some way entitled to support on the basis of previous taxes. The question of whether a guaranteed minimum income, or a "welfare" system for certain categories of needy people, or a "negative income tax" providing graduated subsidies to lower-income people--the question of whether any of these things should be regarded as a right or a "grant or gratuity" is not merely fundamental conceptually but of great practical importance in the design and evolution of government programs.

And this is true despite the doubtless very large number of people who hold both positions at once. Were this posture analyzed, it would probably subdivide into a fundamental human right to the necessities of life (which is quite different from a right to cash); a social right of "decent" people to something more than this (ard to courteous treatment by government); the right of citizens, through the instrument of government, to specify conditions for the actual provision of aid to the poor; and the propriety of constraining poverty aid (as opposed to social insurance payments) by the Elizabethan doctrine of "least eligibility": i.e., indigents should not have higher incomes than workers.

This last perpetually runs up against the incompatibility of the components: theoretically, assistance is based on need, wages on labor value; and a host of practical problems follow in train--should a nonworking wife be regarded as a luxury? Is the decision to have numerous children a consumption choice? How should savings be treated? Such questions are as thorny for redistributionists as for traditionalists, but the traditionalist is confronted with the economic logic that he cannot solve the basic problem by raising wages disproportionately to productivity increases of labor. His solution is to jump this issue by assigning cultural as well as economic value to paid employment--if the wage is in part a reward for socially approved behavior, public policy can attempt to push it to a level that allows the welfare system to provide "adequate" but noncompetitive provision for large indigent families.

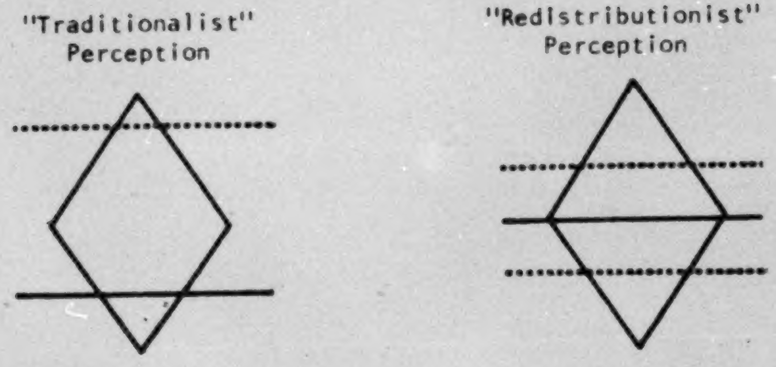
I suggest that this is the vague ideal that traditionalists have in mind, and that most Americans remain traditionalists in this sense. The initial distribution of income is viewed as--in the main--legitimate, but revisions necessitated to provide for the poor create the need for further revisions to assure fairness to the taxpaying public. The ideal is a balance.

The redistributionist differs in rejecting the value distinction between earned and granted income as a fundamental distinction. To greater or lesser degree, he is influenced by a perceived necessity to use money as an incentive to productive work, but he tends to regard this necessity as a consequence of human imperfection. He does not see income differentials as rewarding differentials that deserve differing rewards. While he may, in other contexts, be extremely hostile to genetic determinism theories, with reference to rewards for work he is prone to argue that the individual deserves no credit for his intelligence or talents, and, bringing early environment into the picture, that even his position on an industrious-lazy or reliable-irresponsible scale largely owes to factors beyond his control.

This is not a necessary component of the redistributionist position. One may argue instead that market mechanisms fail to assign the right amount of reward to the right people, and that the government's role is to rectify this problem. However, this position (as distinct from the position that the market would do this if the government left it alone) is never argued to support greater income inequality, but always reduced inequality and--as an ideal--greatly reduced. The ideal is a system of production, serving good ends, where everyone contributes the most he can out of the desire for social approval and self-actualization, and all receive an equal share of material gains. The practical ideal is a narrowing of income extremes or a more general regression toward the median. Simply, no one above the median can properly be regarded as having a right to his income position, and no one below the median can properly be regarded as receiving his appropriate income share.

Thus there is an important difference between the focal point of traditionalist and redistributionist perceptions that may be graphically shown by simplifying the income distribution as a diamond:

Figure 2



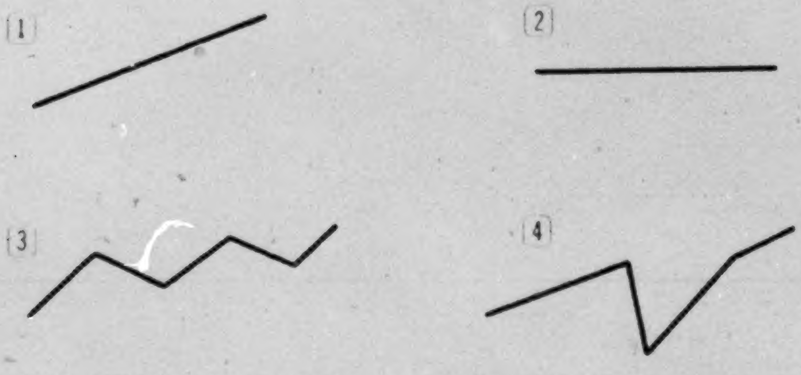
The dotted line on the figure to the left acknowledges that many or most traditionalists are as disgruntled about persons of great wealth who seem to behave like a law unto themselves as they are about "welfare cheaters" and the like. The dotted lines on the right side represent the society with which most redistributionists would probably be content.

Alternative Contextual Assumptions

--Economic Contexts

Insofar as the future complexion of income-support policies is not governed by inertia, it will be governed by the politically effective perceptions of continuity and change in social and economic factors, and by the interplay of the ideal perceptions of Figure 2. Figure 3 schematizes four 25-year economic forecasts:

Figure 3



Obviously, the geometric possibilities are endless, but these four major categories may be defined: (1) fairly steady and fairly high rates of economic growth; (2) relative stagnation; (3) relatively pronounced short cycles of boom and bust; and (4) at some time in the period, a deep depression followed by a slow recovery period. For patterns #3 and #4, the linear trendline, 1975-2000, could be as in #1 or #2, and it is of course conceivable for either that real GNP per capita will be lower in 2000 than in 1975 or 1985, or that there will be steady decline rather than steady stagnation or growth.

These patterns may be discussed as contexts for income support policy at the level of speculation on their significance for public and Congressional psychology, deferring consideration of the complicating factor that a country whose income support programs amount to a tenth of GNP may expect those programs to affect the growth-pattern of GNP (or, equally important, to be perceived as affecting it). While judgments are bound to differ, my conjectures are as follows:

#1. Steady Economic Growth

An expanding pie favors enlarging the share of the poor to the extent that the nonpoor are willing to regard their improved fortunes as unearned, and to the extent that steadiness of growth diminishes fears of making commitments that will be difficult or distasteful to fulfill when/if hard times return. Steady growth also dissipates anxieties that income-support programs subvert the work ethic. These factors are dampened to the extent that personal or family prosperity is seen as earned: e.g., by protracted education, or by the employment of wives as well as husbands. Also, necessary expenses may be viewed as rising faster than earnings: especially, the cost of adequately replacing the housewife's domestic roles will often exceed the working wife's earnings.

Thus it is possible, in Economic Context #1, that the lowest quintile's share of income slips, although real incomes rise, or at least that it fails to rise, simply because the nonpoor are too absorbed in other concerns. However, in a prospering economy, it is relatively easy to believe that the poor ought to benefit disproportionately from economic growth. Therefore, means may be enacted to make appropriate adjustments--not merely cost-of-living adjustments--mechanically.

A plausible projection for Context #1, by the year 2000, is a no-strings-attached guaranteed minimum income for a family of four equivalent to better than half of median family income today. The form of the guarantee is probably an equal payment to everyone ("demogrant") with recovery through the tax system. Payments are monthly or oftener, to ease the budgeting problems of the lower income group, and payment is in the form of a bank credit; there is no transfer of paper, with its attendant problems of delay, loss, and theft.

This scenario is, at most, mildly redistributionist--if the system works, why change it?--but the dynamics cannot be expected to exclude a continuing, generally considerable influence of anti-growth thinkers who help to keep redistributionist values alive.

#2. Slow/No Growth

A context characterized by slow or negligible growth or slight decline is not necessarily experienced as unpleasant. This may be true because over-all economic stability is less noticed by individuals and families than the tendency of their own incomes to improve (and their own assets to accumulate) through the early adult decades. It may also be true because improvements in the quality of life result from the less "productive" use of human labor to expand and diversify services. In the tranquil form of Context #2, income support policies are gradually reformed to standardize benefits nationally and to eliminate inequities in eligibility, but benefit levels do not rise relative to national income averages. Relative to #1, more emphasis is placed on services and on assistance with extraordinary expenses than on raising the poverty line.

In the alternative form of #2, slow/no growth is experienced as national stagnation, as personal nonsuccess, as the nonsuccess of institutions with which one is associated, and/or as the fault of unimaginative, bungling, corrupt, or inefficient government. The good old days are romanticized; the future is viewed fatalistically. Much is said about the deterioration of the work force, and perhaps about the evils of continuing very low birth rates. The level of unemployment considered "normal" inches up. The burden of supporting the unemployed, and a continuing sense of their moral priority for assistance, reduce willingness to improve the conditions of indigents. The desire to cut costs dominates whatever institutional reforms of income support are enacted. Generally, government is written off as a creative force. Rather than services, the culture's emphasis is on personal religion and the values and satisfactions of personal and family life.

#3. Short cycles

The economy moves up and down in short cycles, but it is never possible to project this pattern with any confidence because special etiological characteristics always seem important. There is rarely a four-year period at the end of which the economic "surprise-free projection" for the next four years closely resembles that which would have been made at the start. Social policy debate is strongly influenced by the felt requirement for contingency planning. In this it differs sharply from the 1960's and early 1970's, when it was virtually unknown for reformers to relate their proposals to any other economic scenario than one which assumed steady economic growth. (Thus, for instance, the literature on negative income tax formulas always talks about the effect of graduated benefit schedules "as earnings rise"--never "as earnings fall.") The complication of "realistic" model-building is accompanied by reluctance on the part of the Congress to commit the country to new or reformed programs that may reflect discredit on their sponsors in the unforeseeably altered circumstances of a few years hence. Neither Democrats nor Republicans want to be held responsible for adding to the "uncontrollables." Short-term, ad hoc expedients are safer.

Probably a short-cycle pattern can have this effect without being serious enough to create a national mood of disorientation and helplessness. Indeed, to project a short-cycle pattern for 25 years would seem to require a degree of equanimity on the part of the public. Within limits, a cyclical economy may have the attractiveness to many people that a climate with marked seasonal differences does. However, moderate but frequent fluctuations in economic conditions do suggest an erratic, patchwork evolution of income support policies; a far remove from the ideal of progress toward an equitable waste free mechanism; and irregular fluctations in the relation of the incomes of the indigent to the national average. The "system" will be perennially deplored. Particular categories of victims will be periodically identified and aided. Particular anomalies will periodically be discovered and corrected or modified. Particular master plans will periodically receive a great deal of attention. Crackdowns on misfeasance and malfeasance will occur. But these things will seem sound and fury, signifying little, in the hindsight view from the year 2000.

#4. Depression, Slow Recovery

Today as in the 1930's, it is plausible that a traumatic economic episode with a slow recovery period has the potential to force major, even revolutionary, institutional change. However, five years of Depression preceded enactment of the Social Security Act. If the Depression gave us programs with the remarkable staying power of social security, public assistance, and unemployment insurance, the reason may be that these programs came out of a long-boiling cauldron of suffering, not out of the offices of theoretical experts. The Social Security Act offered something for every one and for all levels of government. Its program mix responded to the fear of Federal usurpation of power, and to the persistence of traditional attitudes about charity as well as to the desire to insure that American workers and their families would never again experience the catastrophic earnings losses of the 1930-33 period, or the demeaning experience of seeking "relief."

It is possible that similar experiences would once again breed comparable sagacity, breadth of vision, and sensitivity. Certainly the experience of 1974-75 reinforces the early-Depression example in suggesting that severe economic dislocations are not initially conducive to the enactment of sweeping, long-term reforms. However, the enormous enlargement of the normal federal socioeconomic role since 1929 must connote lesser obstacles to using economic disorder to achieve intended-to-be-permanent reforms of income support. In particular, constitutionality is probably not an issue.

Thus a deep depression with a slow recovery--whether in the 'Seventies, 'Eighties, or 'Nineties--differs from the short-cycle context in the far greater plausibility of producing a "New Deal," but it may also differ from the 'Thirties in not requiring five years to birth the baby (with possible deleterious consequences for the baby's longevity).

What would this New Deal be? After several years of emergency measures and demoralization, the likeliest possibility might be the enactment of the more ambitious social policy measures that had attracted significant support before the onset of the Depression. The argument would be to infuse a great deal of money into the economy in a way that encouraged faith in the future, restored human dignity, completed tasks too long delayed. In the 'Seventies, these measures could be a truly comprehensive national health insurance bill, incorporating unprecedented regulation of providers, along the lines of the "Kennedy bill," and the extension of income support to low-income male-headed families in a consolidated, nationalized welfare system similar to the recommendations of the Joint Economic Committee (Griffiths Subcommittee) or, as suggested in Chapter 1, in a decentralized form.

Of course, it is not possible to speculate on the enactments that might result from Context #4 in the 'Eighties or 'Nineties without bringing other factors into the picture.

--Age Demography

In the area of social futures, the most solid data available pertain to the age distribution of the population already born. Experience warns against confidence in projecting the population as yet unborn: between now and the end of the century, the difference between a family average of a little less than two children and an average of a little less than three is equivalent to the entire present populations of New York, California, and Michigan. However, for the population already born, there are only two possibilities for error. First, immigration policies may change: the Census Bureau assumes 400,000 net immigration per year, and also makes assumptions about the age distribution of this group. Second, mortality rates may vary from those projected. For example, recent decades--the 'Sixties especially--have seen exceptional growth of the population ages 75 and over compared to those 65-74. This spurt in longevity among the old may be subsiding; if it does not, current projections of the very elderly population for the year 2000 may be on the low side by some millions. Nonetheless, the age data may be regarded with considerable confidence.

Table 3 on the following page shows two perspectives on the changing age distribution. The reader will appreciate the distortion implied by the common statement that our population will be "aging" in the next two decades. Even with continuing low birth rates, the average age of American workers in 1980 will be lower than in 1970. As Section B of the table shows, the percentage of the adult population 55 and older will be lower in 2000 than in 1980.

Looking at the 1980's (i.e., regressing the age groups in Section C of the table by 10 years), we see a marked drop in absolute numbers of adolescents and young adults--the 14-24 age group, and an increase in the 25-34 ages that becomes more impressive when we note that it comes on top of an enormous increase in this age group during the 1970's. In other words, the

Table 3

A. TOTAL U.S. POPULATION AGES 25 AND OVER

1980:	129.9 MILLION
2000:	164.4 MILLION

B. AGE GROUPS 25 AND OVER AS % OF TOTAL POPULATION AGES 25 AND OVER

AGES	1980	2000
25-34	28.4%	21.7%
35-44	19.5%	25.4%
45-54	17.2%	21.7%
55-64	16.2%	13.7%
65+	18.5%	17.5%

C. ADULT AGE GROUPS: CHANGES IN ABSOLUTE NUMBERS, 1990-2000

AGES 25-34	DOWN	6.2 MILLION	(-15%)
35-44	UP	4.8 MILLION	(+13%)
45-54	UP	11.1 MILLION	(+45%)
55-64	UP	2.2 MILLION	(+11%)
65+	DOWN	.5 MILLION	(-03%)

profile of the Eighties is very much dominated by people between the ages of 25 and 44. Irrespective of birth rate, we have to assume that nest-building and child-raising will be central concerns of our culture in this period. An other-things-being-equal forecast has the following components:

--Increased concern with local, relative to national, social policy issues and programs;

--Little interest in (or more hostility to) association of the "just society" with income redistribution: "youngish" families will be mainly focused on their own progression toward peak earning years;

--Despite long-term misgivings, a tendency to encourage and acquiesce in an accelerating trend toward early retirement, because (a) a population concentrated in the prime working years can afford it; (b) the exceptionally pronounced generational biases of the youth of the 'Sixties ("Don't trust anyone over 30") will persist in attenuated form when this over-sized group is in its thirties ("People over 50 are not so smart as we are"); and (c) Up-or-out pressures on older workers will intensify as this large, better educated, healthier generation gains the experience to qualify for the middle-management and senior professional and blue collar positions.

By the same token, a straight reading of Table 3, Section C suggests cultural dominance of the 35-54 year olds in the 'Nineties. This connotes revived concern about the elderly in two ways: middle age is the time when the degenerative diseases begin to be perceived as a significant risk for one's own generation; and it is the time when many families acquire some responsibility for older relatives. If the 'Eighties logically see increased early retirement combined with some lag in the dollar value of pensions and other aid to the elderly, the 'Nineties may well reverse either or both.

It is relevant here that (barring medical advances) the absolute numbers of elderly people will decline in the late 'Nineties and for several years thereafter, reflecting the aging of "Depression babies," while the massive upsurge in absolute numbers of old people (and in their ratio to the prime-age working population) will not occur until the second decade of the 21st century. Societies do not plan that far ahead; they respond to current needs, to current politically effective pressures. It is nearly predictable that the 2010-2020 decade will see a massive overhaul in our provision for the old, including junking the social security payroll tax in favor of general-revenue financing, but it is nowhere close to predictable that such a reform will occur any earlier. While the relatively under-sized younger adult generation of the 'Nineties may have sufficient self-interested foresight to begin to stimulate public awareness of the future crunch, it will still lack the political muscle to do anything about it--other than to curb the trend toward early retirement as the dynamics which pushed this trend dissipate and its costliness becomes apparent.

This exercise in demographic determinism could be affected to some extent by a return to the norm of a three-child family. Our knowledge of the absolute numbers involved in such a shift should not obscure the common sense perception that the difference between two and three children is not very great for a family: it does not require a larger car, larger dining table, additional bedroom, proportional increase in clothing expenses. In the event of more comprehensive health insurance coverage for children and better provision of day care for those whose mothers wish to work, there would be further reduction in a family's reasons not to "try again" for a boy or a girl, or to provide a little brother/sister playmate for John or Joan. Not at all implausible for an advanced industrial society is an inter-generational cycle of 2- and 3-child families, with young people from small families savoring the pleasures of somewhat larger ones, and vice versa.

Whenever such a swing occurs, it will affect the national ratio of dependents (old and young) to workers. In my judgment, the demographic reasons for expecting a strong early retirement trend in the 'Eighties are too powerful to be greatly affected by any likely increase in the birth rate. However, an increased child population in the 'Nineties could reinforce the curbing of early retirement and reduce the ability of the middle-aged to remedy the possible lag in government income-support payments to their elderly parents.

A third possibility is a marked birth rate upturn in the remainder of the 'Seventies, extending through the 'Eighties. By the year 2000, this would mean significantly increasing numbers of youth reaching working age. Looking at the 'Twenties and the 'Sixties, one might conjecture that our culture will by then be "ready" for another youth-dominated decade. Certainly, at some point, the post-war "baby boom" generation will cease to provide our cultural center of gravity, and its political power is likely to begin to decline well before death greatly thins its ranks, as politicians who appeal to a younger constituency begin to be elected.

Whatever the vagaries of the birth rate, the 'Nineties seem very likely to initiate an era of overt age-group politics, as the group that will have dominated the political and cultural scene for a quarter-century slips from functioning as the embodiment of national values and the core of the productive apparatus into the lesser identity of a special interest group with somewhat outdated and rigid ideas on many subjects.

--Interrelationships

The appropriate next step is to relate the changing age distribution to the economic contexts earlier described. This is most manageable and least tedious if we reduce the demographic analysis to the simple proposition that the most important Americans, culturally, politically, and economically, for most or all of the next quarter century, will be those who are 20-40 in 1980, 30-50 in 1990, and 40-60 in 2000, with, in all cases, a numeric preponderance in the lower half of the age range. To caricature, the people who matter most will be buying their first home in 1980, battling with teenage offspring in 1990, and coping with an empty nest ten years later.

This enhances the hubris content of Economic Context #1. Steady economic growth is attributed to the superior characteristics of the central adult generation (who were conditioned in youth to hold a high opinion of themselves). Reversion to a preference for paternalistic, sometimes punitive styles of provision for the poor is possible. More probably, the dominant group will not want to be distracted by the poor (just as they will not want to be distracted by a new generation of youth). Best prediction, as for Context #1 alone, is a nationalized, "automated" income support system, but with social security remaining temporarily separate, while sizable, politically powerful, but little noticed social service bureaucracies continuing to function at the local level.

The tranquil form of the slow/no growth context is harmonious with the values of 'Sixties youth, which (on precedent) we may expect to persist in attenuated and modified form as this group matures. However, the stagnation alternative[*] becomes more pathological, as middle-aging 'Sixties youth look for scapegoats for their lack of success as stewards of the economy. Stereotypes of the poor (of blacks, of youth) as shiftless and lazy produce a re-personalization, re-localization of income support for the nonaged poor, with benefit reduction or withdrawal for refusal to take available jobs, at whatever wage. There are still pressures to reduce the older part of the work force, but the norm is more forced than voluntary early retirement and partial retirement, with benefit levels inadequate to support an attractive lifestyle.

The psychological wear-and-tear aspects of Context #3 (Short Cycles) may be increased by the cultural dominance of people who are in their peak period of family responsibilities and housing costs. Again, the need to seek scapegoats exists. The simple Context #3 forecast of erratic, patchwork changes in social policy may be modified to include enduring measures to lessen the risks of moderate economic instability for the middle and working class family-raising group: for instance, health insurance for children. However, the moderate short-cycle context mainly creates anxieties for the typical family; it is the lower-income and single workers who experience the brunt of unemployment and the lag of wages behind prices. And it is mostly the low-income workers and indigents who must cope with bewildering additions, subtractions, and procedural changes resulting from the _ad hoc_ character of governmental responses to short cycles.

Finally, adding age demographics to Economic Context #4 allows one to guess that, in the culture of the 'Eighties, the enduring legacy of deep depression - slow recovery might be guaranteed jobs, in the form of government acceptance of the role of employer of last resort. Second, in any decade, this economic scenario could precipitate the necessity to replace or radically modify social security simply because payroll taxes would not suffice to meet commitments, and the system's reserves were exhausted. A Depression in any decade may be thought of as causing some things to happen earlier that would have happened later (e.g., the on-set of age-group politics; specific major social legislation), but also--if the Thirties are reliable--as reinforcing traditional values. Loose morals are seen as part of the cause of the catastrophe. So are poor work habits. And it is a long time before one returns to taking for granted a regular paycheck, a floor under wages, and the self-respect that comes from doing a day's work for a day's pay.

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[*] Or sequitur.

--A "Standard" Economic Context?

In the late 1960's, the "surprise-free" economic forecast was assumed to be steady economic growth punctuated by infrequent mild-to-moderate recessions. In the early 1960's a gloomier forecast, based on the experience of the Eisenhower years, appeared more credible: frequent recessions with incomplete recovery of employment in between. Since 1969, a sequence of recession, inflation, wage and price controls, "double-digit" inflation, "stagflation," and severe recession has at no time seen unemployment as low as in the late 'Sixties, and has shown us that we are not invulnerable to decline of real GNP.

Thus, while the "surprise-free" forecast is, as always, more of the same, pessimism is deeper than in 1960, when John F. Kennedy promised "to get the country moving again." As I write this, it is likely that many more Americans find Economic Context #4 credible than Context #1; that many, perhaps most, would select #3, or a dismal combination of #3 and #4, as the most credible prospect for as far ahead as they are able to see; and that many who select #3 would alter the slant given it in Figure 3, placing the end-point as low as or lower than the start-point.

In addition to a greater sense that the U.S. economy is vulnerable to developments beyond our borders and control, this gloominess draws on a general turn-around from the view that government can do whatever it sets out to do to the view that "nothing works," or even that government actions generate worse/more problems than those they address. A further complicating factor is the resurgence of slow or no-growth ideologies, which, with their fears of pollution and resource-depletion, and their distaste for materialism, had been in relative eclipse since the 1920's.* While the idea that rapid economic growth is undesirable may be most congenial to those who have already "got theirs," the related concern with environmental protection issues has a very broad constituency: even at the lower income levels, Americans in 1974 were nearly as likely to think the government was spending too little for this purpose as that it was spending too little to improve health and to reduce the crime rate. Thus, accompanying the revival of economic pessimism is some willingness to see Context #2 in attractive terms, possibly even as preferable to Context #1, or as less dangerous.

This attitude would be adulterated by the deepening of the 1974-5 recession into a true and protracted Depression, but this experience would itself produce value and attitude changes: in particular, raising the value of economic security relative to the value of getting ahead. Nonetheless, the aggregate of personal and institutional interests in the resumption of economic growth is enormous; the talents and capital at the service of this interest are enormous. As individuals and families, few Americans will settle for income stagnation if they have a choice, and few businesses will find a no-growth position congenial. Thus the best single economic assumption for the next quarter century is that U.S. real GNP per capita will be substantially higher in 2000 than in 1975, with median family income exceeding $20,000 in 1972 dollars. (As was shown in Chapter III, this estimate is conservative by 1947-72 standards, which included four or five recession periods.) In this projection, the poor, by current standards, become an even more residual five percent of population, or, more probably, there are virtually no poor by today's standards--perhaps a few million mavericks who refuse either to work with any regularity or to follow the procedures for obtaining government income support.

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*A classic 1920's source is Stuart Chase's The Tragedy of Waste (1927) which, inter alia, cited studies indicating that at then-current rates of consumption, petroleum resources would be exhausted in 13 years.

Poverty, in this most likely version of the year 2000, will mean what nonaffluence means today: lacking as many choices as the average person, having more of one's choices dictated by necessity, having to noticeably reduce one's material standard of living when unexpected major expenses occur, having to adjust to a much lower income than in one's earning years (or in one's parents' home, or before the wife "retired" to have children). The prosperous will not be fully complacent about this state of affairs. The technical elimination of poverty will, perhaps, be regarded as the end to barbarism, but hardly as the final flowering of civilization. The new poor will be seen as leading a cramped, constrained, vulnerable life, too preoccupied with balancing the budget for full development of their human potential. Further, the elimination of income poverty will not eliminate the concentration at the bottom of the income distribution of the physically, mentally, emotionally, and socially handicapped or deviant. There will continue to be people--most poignantly, children and the aged--who are found to lack necessities because the money (or credit) formally committed to their needs has been somehow misused, dissipated, or not used.

--Income Support Programs as Actors in the Scenario

Beyond much question, social security has served to reduce both the demand for and the supply of elderly male workers. Beyond much question, the supply of relatively unskilled female workers (for instance, as household domestics) has been curtailed not only by better job opportunities but by the availability and benefit levels of AFDC. Welfare has become part of the low-income culture (to the extent that defendants in child-support cases object to the judge: "But, Your Honor, why should I have to support her? She's on welfare").

Programs which substitute other income for earnings change the economy and society in which they are placed. The trick is to anticipate the changes before they occur.

Here the practical question for the next few years is the difference between two welfare reforms of the negative income tax type: the first, on the model of President Nixon's Family Assistance Plan, would be limited to families with dependent children (although perhaps administered jointly with SSI); the second, currently more highly favored, would extend to all households that met income criteria, including persons living by themselves and childless couples.

Both programs would entail three widely favored reforms: national administration, benefit standardization geographically, and extension of eligibility to "male-headed families." Food stamps, perhaps veterans' pensions, perhaps SSI, would be "folded in." Social security and, almost certainly, unemployment insurance would remain separate. Medical care would remain separate. So might housing assistance. Many states would be required to supplement benefits, either because of a formal "grandfather clause" in the legislation or because of local pressure. Either program may be expected to include work requirements. Let us assume that these will be well enough enforced that it will not be common for people to quit their jobs, move to a warm climate, and live on the NIT.

There is little reason to suppose that the family-type plan (F-NIT) would have much effect on work behavior, at expectable levels of benefits. The New Jersey income maintenance experiments support common sense in their finding that income subsidies have little influence on the labor supply of husbands in two-parent poor families with children, but a significant effect on wives' employment. Husband-wife families with children typically meet eligibility criteria because they are large--averaging four minor children in the N.J. experiment--and because they are large, few of the wives work in the first place--only about 20% in the families admitted to the N.J. experiment. Thus a national family-type program will not, per se, change the low employment rate of the present "welfare mothers," but neither will its extension to husband-wife families greatly alter the contribution of these families' adults to the economy.

The outlook is quite different for the comprehensive-type program (C-NIT), with several possibilities requiring attention. First, since it remains true that two can live more cheaply together than apart, benefits for a single person will have to be considerably higher than for each individual in a family under one roof. This means that some incentive for family break-up will persist, and there may also be an incentive for children of qualifying age to establish their own households.* While the food stamps program has been amended to exclude such youth who are claimed as income-tax dependents by their parents, this is obviously no deterrent where no income tax is paid, and the trade-off may be favorable in many other cases.

Second, it will be impossible to enforce against many forms of work-hour reduction. If this will be a minor problem with most husband-wife families with children, it will be a major problem with qualifying childless couples and individuals at all ages. Plotting employment or fulltime employment rate against age, as in Figure 4 on the following page, one may visualize the familiar bell curve as a simplified representation: that is, the young and the old have lower employment or fulltime employment rates than people in the middle decades of life.

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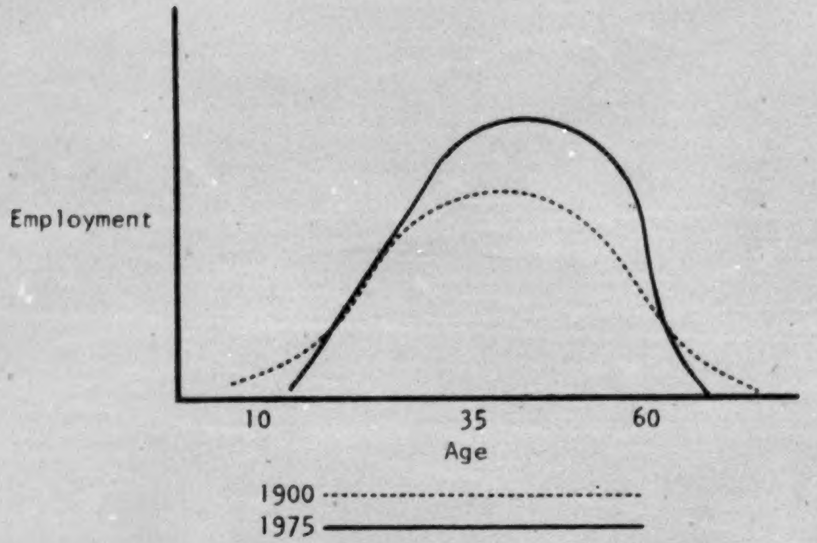
*By this I mean especially one-person households. As noted in the previous chapter, even an F-NIT could encourage teenagers to drop out of school and form economically unviable families.

Over the twentieth century, this curve has been modified in three ways: (1) increased employment of married women has elevated the peak of the curve; (2) protracted schooling has steepened the left slope; (3) drastically reduced employment of elderly men has steepened the right slope. Imagining the curve as plastic, one may say it has been squeezed on both sides:

Figure 4



Especially if the curve is taken to represent full-time employment, it is clear that a comprehensive-type NIT can further steepen the left slope in a number of ways, several of which also entail the protraction of schooling: i.e., by underwriting the combination of part-time work and part-time education, and by subsidizing the growing custom of taking a year off during the undergraduate period. Also, the transition from high school or college to full-time employment, or from military service to full-time civilian employment can be extended. If the system functions as efficiently as it needs to in a society where only one in ten young married man has not changed residence in the past three years, we could see a marked increase in a nomadic youth or post-youth lifestyle, with employment level and whatever other variables the system notes adjusted to meet eligibility requirements.

The potential for the right slope of the curve is possibly greater for a reason that I have already reviewed. A program intended to improve the incomes of the existing poor can become a de facto early retirement or partial early retirement program, involving, if necessary, collusion on the part of an employer who wants to make room for younger men and an employee who, for one or more reasons, is willing to settle for part-time or episodic employment: he (or she) has reduced income needs--the mortgage paid off, the children gone--and is ready to slow down for reasons of health or preference; there is unreported income or the possibility of unreported income (e.g., babysitting, a repair shop in the basement); or there is the possibility of being fired entirely if one does not cooperate.

The take-up on early retirement, even on unfavorable terms, is high, accounting for over half of all new social security pension awards in recent years (including nearly half of those to men). While any C-NIT would offer a basic grant below the poverty line for an individual or a childless couple, the characteristic of graduated benefit reductions relative to earnings, plus possibilities for unreported supplementary earnings or income, provides a trade-off of material comforts for personal freedom that is plausibly attractive to many young people and to the older working poor and near-poor.

A related point for young people was mentioned earlier. In many cases, whether a family received income supplements or not, it might be advantageous for dependents of qualifying age to maintain separate residence. One interesting possibility is that I board the Jones's son and they board mine. It goes without saying that, in a national income support system, it matters that people who want money are more highly motivated than officials (or computers) who want to prevent them from getting it. There is a known tendency called "undoubling" for prosperity to increase the number of one and two-person poor households. A C-NIT will have the same tendency, reducing the numbers of "other adults" in existing households (and perhaps continuing the depopulation of college dormitories).

A C-NIT thus has the ironic effect of increasing poverty by multiplying households that are poor--i.e., underwriting undoubling--as well as by substituting part-time for full-time employment either as a simple preference or, in the case of some older workers, with an element of coercion. These unintended effects can substantially increase costs, and operate, over five or ten years, to discredit the program. By contrast, an F-NIT, in company with SSI, appears to have far greater potential for staying power. While it is true that some childless, nonaged, nondisabled people have occasional or frequent need for public assistance, some of these may be comprehended under SSI or social security by judicious enlargement of the definition of disability. However, the basic category is not suited to income-support by means that lack a large component of local administrative discretion (and the motivation supplied by funding from local revenues).

For this reason, the C-NIT vs. F-NIT choice may be regarded as a branching point in the future of national income maintenance policy. One choice has considerable potential for stabilizing our provision for the poor for the next 25 years or longer. The other promises trouble, whatever the economic context.

--Centralization vs. Decentralization

I elsewhere have alluded to the possibibility that the future of national social policy may be construed as a pulsating universe. This is especially persuasive for grants to states and localities, but perhaps only because revenue-sharing and block grants provide a visible change from the grant programs of the Sixties and invite postulation of the thesis.

There seems no good reason to deny that income maintenance for the poor could be centralized and then decentralized after a decade or so, and perhaps recentralized by the end of the century. Economic factors might precipitate such changes, but the central issue is probably technical capabilities. It may be that, so long as we have to rely on separate procedures for income accounting and benefit disbursement, and on the physical movement of paper through the mails, a nationalized income support system will not be able to function with politically acceptable levels of error, delay, loss, and fraud. Considering the bulk of the literature on NIT-type programs, incredibly little has been written about technical feasibility. The papers purporting to tackle this subject develop beautifully detailed operational charts, but, on the fundamental question, they point vaguely to the Social Security Administration and the Internal Revenue Service for precedent.

These analogies are poor. While the SSA pension system is a miracle of efficiency, it deals in the main with an easy clientele: the elderly and disabled do not move around very much, their assets are not monitored, they are mainly nonemployed, and no one is squawking that they ought to be working. The IRS experience is limited to a program that yields a net income gain to no one and sends out refund checks once a year.

A reasonably optimistic conjecture is that even an F-NIT would have to weather five years of horror stories before the bugs were ironed out. Even a clientele limited to low-income families with children, with benefits reduced to zero at an income of (say) $7,200 for a family of four, poses formidable administrative challenges. These are the people in the so-called secondary labor market, characterized by frequent job changes, frequent unemployment, part-time and seasonal work, and employers who don't keep books very well. Even ignoring fraud, getting roughly the right amount of money to roughly the right people at regular and reasonable intervals is quite possibly impossible for a centralized system with present technology.

Whatever the economic scenario, it is fairly plausible that a decade's experience with such a system would make a revenue-sharing alternative look good, and there would be supplementary arguments for this shift as well. Especially, the divorce of income support from social services, which must be conducted at the local level, will mean a lack of coordination that produces its own horror stories, and perhaps a scanting of funds as well. While the system can and probably will be designed so that states which offer supplementary benefits need not maintain their own bureaucracies for this purpose, the continuance of any state role and of inter-state benefit inequality remains a potential troublemaker. Local bureaucracies will be required for emergency assistance, and in some economic situations emergency assistance will be big business, and these situations will vary in existence and intensity from place to place. Further, the next generation of liberals may swing away from esthetic preference for impersonal income provision to preference for a warm human system where the provision of income is integrated with services and supplements that meet the individual needs of the poor. Will anyone stand up and promise that this swing will not occur?

Suppose that it does. The next time around we will have the technology to dispense with the physical moving of paper and the information systems for accurate income accounting. We may have the national wealth to implement an advanced form of the "demogrant" concept picked up, prematurely, by George McGovern in the 1972 Presidential campaign: that is, everyone will receive a credit sufficient to purchase the necessities of life, as construed at the time.

But this is too remote from present conditions to be of much interest.

--Work vs. Welfare

In the following chapter, I consider the possibility that "welfare" will wither away, although not in the ways that either the designers of social security or the income redistributionists have envisaged. Among the enlightened today, and not merely the liberal enlightened, there is a tendency to regard the "work ethic" as a nuisance which obstructs the design and implementation of an efficient income support system for the poor. This obstruction is what is expected to wither away.

But there is much more to the work ethic than an insistence on work requirements for welfare recipients. A familiar quotation from the report* of the National Advisory Commission on Civil Disorders is worth repeating:

> "The principal measure of progress toward equality will be that of employment. It is the primary source of individual or group identity. In America what you do is what you are: to do nothing is to be nothing; to do little is to be little. The equations are implacable and blunt, ruthlessly public."

Perhaps what will happen by the year 2000 will be that most of the people we now view as dependents will be viewed as workers, paid as workers, held accountable as workers. I turn to this possibility next.

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*Commission Report (New York: Bantam Books, 1968), p. 252.

CHAPTER VIII

WORK: A PROBLEM OF DEFINITION

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"Until World War II biological science was pursued as an almost hobby-like activity of professors. Material rewards were small; our reward was the privilege of doing what we most enjoyed doing and, also, the esteem of a small coterie of colleagues who knew our work."

Ernest Borek[*]

"Only mechanization can mitigate--if not cure--'the disease of work,' as de Tocqueville calls it, which has tortured humanity since the first day of its existence."

Eric Hoffer, _The Ordeal of Change_

"T. George Silcott, past Chairman of the National Association of Black Social Workers, said a mother taking care of a foster child received a much larger sum of money than a mother on welfare taking care of her own child. 'The individual mother on welfare is getting a small sum of money because she is not in a position to negotiate her rates,' said Mr. Silcott."

The New York Times, November 7, 1971

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[*] Borek, "Cheating in Science," _The New York Times_ (Op-Ed page), January 22, 1975.

WORK: A PROBLEM OF DEFINITION

"Work" In a Money Economy

Here are the narrowing definitions of human work: Work is expenditure of energy, as in "The dying man worked the sheet between his fingers." Work is purposeful expenditure of energy, as in "The woman worked her way through the crowd." Work is socially useful expenditure of energy, as in "He works with handicapped children in his spare time." And finally, work is expenditure of energy for which one is paid, as in "She works."

The simplicity of this last denotes its place in the scheme of things. We have become so thoroughly immersed in the habits of thought of a money economy that few people under sixty know that the empty cliche, "bringing home the bacon," started its life as a very funny vaudeville line. However, the lingering complexities of the meaning of work come to the fore in connection with that large part of social policy which deals with people who, for a variety of reasons, are handicapped in their role in the money economy.

The Not So Remote Past

The normality of associating hardship with lack of wage-earning employment is an urban and, as such, a modern attribute. Today, only 5 percent of Americans live on farms, but 24 percent of respondents on a recent national poll said that their fathers were farmers, and the figure rises to 36 percent for those ages 50 and older.* Further, most of our grandparents or great-grandparents were farmers or small townsmen, either in this country or Europe, and most had little experience with production for distant markets. Life's setting was a landscape dotted with small towns and hamlets that existed primarily to serve the needs of surrounding farms, where farmers, their families and hired help produced most of what they consumed and consumed most of what they produced. Hence the character of the local economy: cash was scarce; barter was common. While goods and services were the principal form of aid to the needy, it was also true that the clergyman, physician, merchant, itinerant portraitist, and others were often paid "in kind." Moreover, the two stages of such transactions--good for good, good for service, service for service--were sometimes separated in time, and this meant that there was not a wholly clear-cut distinction among three types of human commerce: business transactions, neighborly acts, and charitable acts. When Smith repaired Brown's plow, it might be any of the three, and Brown might construe it as one, Smith as another.

Further, if Smith's (or Salerno's) progeny did move to the city, they tended to regroup there, to reestablish traditional forms of mutual aid, and devise new ones: for instance, mutual insurance societies developed responsively to the fact that burial was expensive in the city. In-kind aid for the needy, although abnormal in the urban economy, remained for a long time the preferred form of aid--as late as 1909, only seven percent of public assistance transactions in the 43 cities surveyed by the Dillingham Commission involved money transfers.*

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*National Opinion Research Center, 1974.

But the urban setting could not replicate a blurring of distinctions that was possible only where most faces and circumstances were familiar, and where a broad consensus obtained on what constituted "good behavior." In the absence of these things, a money economy was essential, organized private and public charities were essential, and "in kind" assistance heightened rather than blurred invidious distinctions; also it was diseconomic, at least to practical minds. That it held on as long as it did was attributable to the belief that handing out money to indigents would pauperize the working class.

Today

Working means making money. Making enough money to meet one's needs means being "self-supporting." Neither of these statements is literally true. The frontier farmer who "made" no money was the only self-supporting American, and his life was commonly the Hobbesian solitary, poor, nasty, brutish, and short. The essence of the modern world is interdependency, and its language is money. Thus the stigma of the pauper: He or she may be a full contributor to other kinds of socially valued interdependency--parent-child, husband-wife, neighbor-neighbor--but the failure to be "self-supporting" transcends the value of these.

It would be a caricature to say that giving goods rather than money to the poor was entirely intended to reinforce this distinction. Initially, the rural roots of urban charity were also important. Giving people food and firewood was traditional. With its connotations of neighborly assistance, it was felt to be less demeaning than giving them money. But this way of thinking has disappeared. No one would argue that the supplanting of agricultural commodities distribution by food stamps and the possible future supplanting of the food stamp program by "cashing it out" in an NIT constitute a progression toward more demeaning treatment of the poor. Children of the money economy, we perceive the opposite. Preference for giving the poor goods or coupons rather than cash is today quite clearly associated with the desire for symbolic reinforcement of the distinction between the "self-supporting" and others.

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*"Immigrants As Charity Seekers," Dillingham Commission Report, Senate Documents, Vol. 10, 1911, p. 48.

Women in a Money Economy

The history of women in the transition to a money economy is of interest to social policy for a number of reasons:

--women are more than half of our non-aged adult population;
--paid employment of married women has nearly doubled in the past quarter century;
--a rapidly rising percentage of lower-income households are female-headed;
--the issue of whether/when a "nonworking" wife should be deemed a luxury arises in connection with proposals to subsidize the working poor and near-poor;
--the changing role of the mother bears on social policy's commitment to promote the well-being of children.

But a focus on women also spotlights important conceptual subtleties and conflicts in our evolving concept of work. It is not clear that it was industrialization, per se, that robbed women of a major role in economic production. When Alexander Hamilton was promoting the development of Paterson, New Jersey, as a model industrial community, he pointed to the local farm wives as a major available labor pool, and there was, in fact, substantial employment of women in factories and mills throughout the nineteenth century. The low over-all level of recorded female employment reflects the high ratio of self-employed to wage-workers of both sexes and the Census Bureau's custom of only listing the male partner in "mom and pop" enterprises as employed. (It is interesting that in several decennial censuses after the Civil War, Negro farm-wives--but not white ones--were counted as "gainful workers.")

More important to the diminished economic role of women was the freeing of a rising fraction of male workers from manual labor, and the development of a social distinction between middle class and working class based on a white vs. blue collar dichotomy. Even today, when farmers rank much lower on the income scale than industrial workers, a high percentage of farmers describe themselves as middle class, but this residue of a rural democracy where manual labor as well as low money income was the norm has long since ceased to be a dominant factor in our national culture.

The idea that it was unsuitable for women to "work" rose in parallel with the new middle class, most of whose members were only a generation (if that) removed from manual labor themselves. Thorstein Veblen's wry observation that an idle wife was an item of conspicuous consumption, lending status to her husband, became an important factor here, but the way was paved by the overwhelming barriers to advancement for women that rose in the forms of increasingly hierarchical job structures (i.e., men did not want to work for women), and the physical separation of the workplace from the home.

Female employment was also affected by early and enduring confusion over the right level of wages. In what may be termed post-agrarian America, the concept of the "family wage" was prevalent: i.e., it was not assumed that a typical factory worker would earn enough to support a family but that his wife and older children would work, too, just as they had on the farm and in the shop.

Humanitarians of both sexes soon came to challenge this analogy, but not with such unanimity as one might suppose. Note, for instance, Charles Spahr musing on a visit to New Bedford, Massachusetts, in the 1890's:[*]

> "Some of the pictures which this pastor's wife gave of the home lives of their people were as full of beauty and love as anything that Millet has painted. That which to me seemed hardest of all--the fact that wives as well as husbands went into the factory at daybreak, and remained till nightfall--had not, she said, destroyed home life.
>
> "No husbands and wives she knew lived more lovingly and happily than some who rose together long before five o'clock, and worked together in getting ready the breakfast, or perhaps doing the week's washing, and at night, when they returned, joined in the same household tasks. The outward union of their lives seemed to make closer the union of their hearts."

So much for the novelty of the 1970's vision of a "unisex" marriage.

But the more powerful thrust was toward realizing a living wage, and this operated to undercut the claim of the early feminists that women should have equal pay for equal work, and equal access to jobs and promotions. If a decent wage for a man meant sufficient to support his family, this logic did not apply to his wife . As recently as the 1930's and the post-war Forties, economic feminism suffered a setback from this humanization of early industrial-era values. Corollary to the high-minded crusades for a minimum wage and for the abolition of child labor was the dictum that, when jobs were scarce, women should not compete for them with men. Also, the woman who had a husband to support her had the least title of anyone in the work-force to object to low wages, non-promotion, and victimization by "last hired, first fired" policies.[**]

In hard times, economic feminists become ambivalent on such matters, but in the chronic harshness of the early industrial economy they compounded the ambivalence of their position by pressing for special legislative protection of the hours and conditions of female workers: in other words, for measures that amplified the female disadvantage in the labor market.

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[*] Charles B. Spahr, America's Working People, 1899. This is a fascinating book. Spahr traveled all over the country, visiting southern mill towns also, and backwoods Appalachia, and Mormons in Utah.

[**] As indicated in Chapter III, about a quarter of Americans still believe that a women with a husband to support her should not work.

Thus, those middle class women who lacked domestic talents or temperaments found themselves in a confusing and difficult position as the burden of unavoidable domestic chores declined, while the association of "work" with making money strengthened. Hours freed from household drudgery could be spent in volunteer work, but the status of such work was also undergoing erosion as more and more of the activities that had traditionally paid no wage were brought into the money economy. Charity, politics, science and other scholarship, invention, the creative and performing arts had formerly been the domain of the independently wealthy and the handful of geniuses (and nongeniuses) they chose to patronize. The wealth generated by industrialization democratized access to such vocations, but the process thus triggered created an invidious distinction between the professional and the amateur, the specialist and the generalist, and, again, between those who "made money" by such work and those who did not.

Except in politics--American legislators were always paid, unlike members of Parliament--these changes were very pronounced in this country. I will have more to say about them shortly; but my immediate point is the effect on the American woman of the declining status of the amateur, in combination with the declining status of manual work, the reduction in the housewife's domestic burden, and the association of "making money" with social value for men.

In the period of unprecedented prosperity since World War II, with its diminution of the issue of sexual competition for limited jobs, these factors have combined to produce more than a forty percent increase in the employment rate of women ages 25-44, and a sixty-five percent increase for those 45-64. Close to a majority of women in those age groups are now employed, and the figure reaches a majority of all married women whose husbands have any earnings. Recently, the highest rate of increase has been among women who have children under six. (In March 1974, 31 percent of married women with children under age three were in the work force.)

Obviously, these great changes reflect the changed character of the demand for workers as well as women's demand for jobs, but the male-female difference in earnings for year-round full-time work has not narrowed as one might have expected it would if the economy's need for women workers were the overwhelmingly dominant factor in the equation. In other words, it has not taken the pull of exceptional wages to draw women out of their homes in the post-war period. Nor can the cost of living be surely named as the major factor. It is true that women in the age groups over 29 averaged larger families in 1970 than in 1960, as a cumulative effect of the long-ended "baby boom," and that a higher percentage of college-aged children were in college, but it is also true than an analysis of husband-wife families where the wife did and did not work shows that husbands' earnings rose more rapidly for men whose wives worked than for those whose did not.*

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*Herman P. Miller, in Blue Collar Workers (New York: McGraw Hill, 1971), edited by S. A. Levitan. This difference was especially pronounced for blacks.

On balance, it seems that we have to regard economic change as to some extent a result of cultural change. Possibly, one reason why the sexual differential for fulltime work has not diminished has been a tendency for women's demand for jobs to outpace the "natural" growth of supply, leading employers to create more positions at a lower wage rather than dividing the same work among fewer, higher-paid people.

In any case, cultural change cannot be denied, nor can its impact on social policy. On the one hand, we have equal opportunity and affirmative action policies. On the other, we have a precipitous decline in the prevalence of the sentiment that the female heads of families should be protected from the necessity to take jobs. And we have this latter for the same reasons that have produced a substantial assault on the special legal protection of women workers, although the latter is seen as a "liberal" movement, while pressure to put welfare mothers to work is seen as "conservative."

The Social Value of Work

Clearly, the passage from some semblance of economic self-sufficiency to the extreme interdependency of the money economy has wrought formidable changes in our habits of thought, and these changes have bred needs that have shaped the growth of the money economy. In many ways, the housewife is the last American worker whose way of life resembles Jefferson's yeoman farmer ideal. She is her own boss. Her tasks are varied. Managing a home, like managing a farm, cultivates qualities of versatility, ingenuity, earthy commonsense. Like the farmer, the housewife knows no artificial distinction between "work" and "leisure," nor is she imprisoned in a hierarchy where success comes only to a few.

There was a time when these qualities of work and life, attributed to the yeoman, were seen as the sine qua non for viability of a democratic state. Agrarian democrats subordinated the value of the worker's economic product to the value of work processes that produced the right kind of citizen. The factory was indicted for its malformative effect on the operative. This troubled even Adam Smith, and many Europeans as well as Americans thereafter, including Alexis de Tocqueville, who lamented of the man who had spent twenty years making heads for pins, "He no longer belongs to himself, but to the calling he has chosen."

The idea that work should allow the worker to belong to himself, or, in Abraham Maslow's modern jargon, to "self-actualize," would seem, in the abstract, conducive to serious attention to the housewife's lifestyle as a model for that oft-described future when (to quote from an 1850's article) "Machines will perform all work, automata will direct them, and the whole task of the human race will be to make love, study, and be happy."* But, instead, we have tended to stick with the model implicit in the quotation: i.e., an aristocratic rather than a democratic model. Rather than treating the housewife in the context of pre- and post-industrial work values, we have viewed her, pro and con, in terms of the "feminine mystique."

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*I have mislaid my secondary source for this quote. The original was an article entitled, "The Fast Age," in Democratic Review.

The Continuing Commitment to "Work"

"Work" means making money, and the industrial era's tendency to reorganize human activity in conformity with this maxim, this new touchstone for social value, shows few serious signs of losing momentum.

Note the proportion of Americans listed by the Census as employed. For those 16-24, it was 56% in 1900, 51% in 1970. For the 25-44 year olds, the comparable figures are 59 and 67%; for those 45 to 64, 56 and 64%. Only among the elderly has there been a marked decline in employment: from 39% in 1900 (when two-thirds of all men 65 and older held jobs) to 15% in 1970. Of course, there has been sharp attrition of male employment at the lower as well as the upper age extreme--in 1900, 26% of boys ages 10-15 were working, and 84% ages 16-24 (for girls, the comparable figures were 10 and 32% respectively)--and there has also been a small decline in employment rate of prime working age males.* But increased female employment has more than made up the slack at the prime working ages and has almost made it up in the under-25 group, despite the protraction of schooling. Phenomenal improvements in the productivity of the basic economy nonwithstanding, we have managed to sustain an over-all level of employment very close to the fifty percent of the population ages 10 and over that were listed as gainful workers in the 1900 Census.

Implementing the Commitment

Two factors here are obvious. First, affluence has implemented and diversified consumer demand; second, increased leisure has spread the work around. For Americans under age 25, the change in employment rates would be much greater if we had a realistic way to differentiate fulltime from parttime employment, but we don't: the general decline in work hours means that very few people today hold "fulltime" jobs by the standards (except for some government offices) of 1900. One of the minor ironies of welfare-reform efforts of the 1960's was a statutory loophole that resulted in AFDC-U male clients who were working 35 hours a week being certified as "unemployed" by New York City welfare workers who worked 30 hours a week (in June, July and August).**

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*This latter trend was not discernible until the Depression, and the 1970 percentages are higher than in 1950, although a bit lower than in 1960.

**The qualifying work-hour limit has been reduced to 30 hours.

But the limits to extension of leisure are also notable. When a universal eight-hour workday was first seriously discussed, in the century's second decade, the logic of progressing to the six-hour (four-shift) day was also discussed--not surprisingly, considering the rate of work-hour reduction since 1890--yet the daring new idea sixty years later is to compact a 36 or 40 hour week into four days of work. By and large, increments to leisure since World War II have taken the form of more and longer paid vacations, more generous sick-leave provision, and what might be called "incorporated leisure": i.e., coffee-breaks, longer lunch hours, more time off for personal business; and much of this has been incident to the growth of white collar and especially government employment, these being areas that have traditionally been more relaxed in such matters. Between 1958 and 1970, the work week in manufacturing actually increased by about a half hour, due mostly to increased overtime;* and, in 1972, 79% of office workers, but only 28% of plant workers, were entitled to two weeks or more of paid vacation after a year's employment.**

In short, we have not consistently and wholeheartedly adhered to the objective stated by Edward Bellamy and others at the turn of the century: that economic productivity should be maximized for the purpose of maximizing leisure; that is, for the purpose of freeing human beings from debilitating drudgery and stultifying routine. Within the household economy we have, of course, done this. Many industries thrive on the family's investment in labor-saving domestic appliances and products. But, in the larger economy, labor unions and nonunionized labor have tended to favor income and security over increased leisure, while the polls show that, when Americans are asked to name the most important aspect of a job, "short hours" stands at the bottom of the list, below job-security, well below income and opportunities for advancement, and far, far below subjective satisfactions, which stands at the top for people of every income level.***

So we have spread the work around by means of increasing leisure, but not nearly so much as was foreseen in the past. Instead, as was not foreseen, we have tended to emphasize incorporated leisure. While it is true that key-punch "factories" and some other large office operations have come to resemble assembly line work in their pacing and monotony, the alternative trend has been neglected by the literature on work, although it is probably the more important in terms of numbers of workers affected. Strictly speaking, incorporated leisure is the reverse of Bellamy's prescription--nonwork time is enlarged by reducing output per worker-hour. Of course, this process, like conventional work-time reductions, is commonly rationalized on the ground that improvements (better labor-management relations, reduced error rates) overbalance losses, but this is certainly not the whole story. Traditionally, both male and female white collar workers have been of similar class origins to management. Together with the fuzzy character of "product" in many clerical, professional, and supervisory jobs, this has made white collar work a soft sector for formal and informal means of "humanizing" routine labor.

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*The President's Report on Occupational Safety and Health, May 1972, p. 61.

**U.S. Statistical Abstract, 1974, p. 362.

***On NORC's poll in the spring of 1974, for example, respondents in the $6-10,000 household income range "voted" as follows - short hours, 6%; security, 9%; opportunity for advancement, 20%; income, 21%; feeling of importance and sense of accomplishment, 45%. The higher income groups gave this last rising majorities (53-66%).

Viewed in this way, incorporated leisure constitutes a distinctively different third means for enlarging job supply. By allowing more breaks and enriching the social environment of the job, we get around the fact that many jobs are not susceptible to enrichment; and this is a process, once started, that is difficult to reverse. So long as times are prosperous and stockholders (or taxpayers) are docile, humanization of the office steadily generates more jobs in the office, a point that unions have turned to advantage.

Fourth, we have multiplied occupations, not merely jobs. As mentioned in discussion of the amateur's diminished status, we have "occupationalized" much that used to be leisure pursuits, or the serious avocations and public service of the wealthy. Of course, at the same time many wholly new occupations have arisen in response to the requirements of new technologies and organizational complexity, and there is a marked tendency of old occupations to splinter. This last is well illustrated by the fast-growing health care sector, where it began with a rapid trend toward physician specialization--the percent of physicians who are general practitioners today (about 17%) is about the same as the percent that were specialists in 1930--and it has more recently progressed to the stage of filling out the middle levels in the skill hierarchy with college-trained technicians and specialized therapists, an array of "mental health" professionals, and, now, growing numbers of nurse practitioners and physicians' assistants. At the same time, the enormous expansion of hospitals, which accounted for 18% of medical expenses in 1929, compared to more than 40% today, has multiplied the less-skilled jobs, as have deliberate efforts to create "paraprofessional" positions at clinics in low-income urban and rural areas.

This example is poor for illustrating the full job-generating role of increased organizational complexity, since medical care, as the last major cottage industry in America, has developed remarkably little administrative superstructure, but even this is changing, as the government's role enlarges. National health insurance, if enacted, will move us further along the bureaucratization route paved by Medicare and Medicaid, by the requirements for establishing physician review organizations, and by incentives for the formation of prepaid "health maintenance organizations." Nor should we ignore the growth of private health insurers, whose share of the "health care dollar" more than doubled during the

Fifties, becoming about equal to the government's share until the passage of Medicare and Medicaid.

In any case, the health care example is illustrative of other trends that generate jobs. The response to technology is obvious. Second, there is the counterpart to industrialization's rationalization and division of labor. While we commonly think of this process in association with standardization of product and reduced labor input per unit of product, rationalization of labor in industry has also functioned to diversify product and to enlarge and diversify the work force in manufacturing, including auxiliary sales, service, advertising, and other jobs. And this is very much what has been happening in the health care field, the similarity extending to the dynamic interplay of supply and consumer demand. Much as many material novelties have become necessities, professional assistance with, for instance, the quasi-medical developmental problems of childhood and adolescence has slipped out of the luxury class.

Productivity in the Service Economy

The difference from the predecessor trend in goods production is that we know how to make cars and paper napkins. By any more meaningful standard than patients processed, welfare clients visited, managers counseled, students graduated, meetings held, papers produced, and directives issued, productivity often cannot be so well measured in our rapidly expanding professional and semi-professional service sector. In terms of stated objectives, we must generally suspect it is not very high.

To a considerable extent, as a result of affluence and, as well, education, the American public is willing to pay money, directly and via taxes, for the deliverable surrogates of undeliverable products. This is human nature, and a glance at newspaper advertisements of a century ago shows that it has a long history of exploitation, but the modern difference in scale amounts to a difference in kind. The concept of exploitation--the unscrupulous sharper preying on the dull, the lonely, the fearful--loses its edge when the rent money is not at stake. Subtleties come to the fore. Is the dog psychologist a charlatan if neither he nor the poodle-owners think he is? Is the franchised diet club a shady operation if all its typical member obtains is a temporary weight loss, an excuse to go out on Tuesday evenings, and the opportunity to formally demonstrate good intentions?

Sometimes it is not even clear which party is being exploited. A government agency puts out a $150,000 "research" contract for entirely tactical reasons: to palliate a pressure group, to avoid or delay a decision. Is the grant recipient being exploited, or are agency and recipient in collusion to bilk the public, or is the tactic, in fact, obedient to the public interest?

In this last case, we are not necessarily talking--although we may be--about undeliverable product but about a distinction between real and ostensible product, real and ostensible motivation in making a purchase. This distinction also applies to many individual transactions with the "helper" businesses and professions--or, for that matter, to the twelve year old girl who pretends to be buying eye shadow for her mother. The greater the flow of goods and services in our economy, the more play there is for the unwritten contract and what the English professors when I was an undergraduate used to call "the appearance-reality dichotomy." An array of occupations and industries is supported, entirely or well above past levels, by an affluent society's ability to put money into its wishful thinking and into costly substitutes for painful, simple acts like saying "No," or permanently changing one's eating habits. As a result, many of the successors to yesterday's quacks are licensed and diploma-ed members of respectable professional associations, so panoplied, in other words, that the quack's common refusal to believe that he is a quack, his belief that he has a real cure (or at least a better palliative than anyone else), is raised to the n-th power, becoming part of the cultural fabric of late twentieth century America in much the way that the revivalist preacher (who also had a good thing going) was part of our cultural fabric a century ago.

Nor is this comparison amiss. Benjamin Franklin's musings on scientific and moral progress, and our seeming inability to obtain the latter, may be as applicable today, but we have a great deal more money and more manpower to invest in the effort to obtain moral progress, and this is a further means by which we expand jobs rather than leisure. The rhetoric of the educationists, the social workers, the poverty warriors is grounded in general aspirations: that we are, or must be, in the business of producing better people.

The Poverty War in This Context

What critiques of the poverty war commonly ignore is the distinction between commitment to accomplish a purpose and commitment to try to accomplish the purpose. Once the invidious contrast was made between the passivity of income-support programs and the activism of "helping the poor to help themselves," and once economic opportunity outlays were authorized by the Congress, it became inevitable that a large fraction of funds would be "wasted."

This was true, first, because, unlike income support programs, the commitment to try to upgrade the poor necessitated responding to the many reasons why people were poor. Programs fragmented the better to target specific problems; bureaucracies multiplied. Wasteful--but logical. Second, we did not know how to do many of the things we set out to do. This, not the Vietnam war, was the fundamental reason for under-funding. Often, new poverty-war programs were described as "demonstration projects," producing criticism that mechanisms for evaluation were deficient or missing. Whether judged by change-agent performance or as research, such programs were wasteful.

Third, much money ended up in the pockets of middle-class bureaucrats and professionals, meaning, in the latter case, in the pockets of the educated who, throughout this century, have been rather ruthlessly replacing the snake-oil salesmen (and the midwives, curanderos, medicine men, faith healers) with their own. The middle class did not flock to the scent of "money in poverty." They were there already, in well-established administrative and professional bureaucracies, fed by the factories we call universities. Culturally sanctioned to do the sorts of things the poverty war asked them to do, they did those things, or at least they tried.

A few years back, it was fashionable to say we were shifting to a service economy, with ever-more jobs requiring a college degree. Then it was pointed out that what the Census lists as "service" jobs are mainly low-skill and low-status, paying less than factory work. This is true, and it is also true that, together with the blue-collar categories (craftsmen, foremen, operatives), these low-level service jobs constitute a majority of American workers. However, what this objection overlooked was that service jobs, Census-defined, have not been growing rapidly. During the 1960's, their share of the work force increased by less than a percentage point, from 9.9 to 10.7%, about enough to balance the decline in the blue-collar jobs. The growth categories were the other kinds of service jobs: professional and technical workers--from 12.1 to 14.8% of all jobs; the clerical workers--from 15.7 to 18%; and the salaried managerial workers--from 5.9 to 8.4%. Among white husbands in husband-wife families, service and labor jobs declined by one percent during the decade, craftsman and operative jobs increased by 7%, and professional and managerial jobs increased by 46%.*

Thus, the service-economy theory should not be hastily discarded--nor should its corollary that the middle class makes jobs for its own (male and female)--but the poverty war should not only be viewed as an instance of this, but also as one of the factors creating address to the issue. Formally, the issue here was jobs for the poor, and "maximum feasible participation" in the poverty war. In other words, the issue was not, formally, either of two other propositions: 1) if we're manufacturing jobs, the poor should get their share; and 2) if we're trying to achieve "moral progress" without really knowing how, we should not rely heavily on high-paid workers who have been educated at enormous public expense.

But these underlying ideas were distinctly present. The idea of "manufacturing" jobs was well-established. The fears of "automation" generated by computer development and the recessions of the 1950's, together with the prospect of all those post-war babies entering the job market, had given it new force even before the poverty war. President Kennedy typified the thinking of his time when, in a Labor Day address the year of his death, he exhorted the country to "find" many millions of new jobs in the Sixties, without saying a word about what needs these jobs would fill. The poverty war partially remedied this omission, focusing attention on many needs inadequately met by our private and public market structure, but at the same time it preserved the concept that a job is valuable, per se. The job protects the holder from the indignity of overt economic dependency. The wage, the commitment of time, the expenditure of energy are what entitle one to first-class membership in the money economy.

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*Herman P. Miller, in Levitan (ed.), op. cit. The increase for nonwhites is higher because of the very low base.

So much for the first of the underlying propositions: if we're manufacturing jobs, the poor should get their share. What about the second: if we're trying to achieve 'moral progress' without really knowing how, we should not rely heavily on high-paid workers who have been educated at enormous public expense? Not surprisingly, this proposition was rarely promoted as such. Two quite legitimate and inter-related surrogates were employed: 1) cost restraints, necessitating the training of teachers' aides, "physician extenders," and "outreach" workers; and 2) the concept of rationalization--the teacher's time is too valuable to be spent marking papers, clapping erasers, monitoring playgrounds; the social worker ought to be freed from filling in forms; the physician's time is too valuable "to warrant wasting a minute of his education and experience on jobs others can do as well."*

But the underlying proposition occasionally asserted itself. HEW opened a school for Navajo medicine men and subsidized respectful studies of Houston's curanderos in part from explicit recognition that modern scientific medicine was less than ideally effective in treating Indians and Chicanos. Addict treatment centers, founded by professionals, produced ex-addict counselors and therapists who, it was argued, could do many things better than the professionals.

Most such developments were not pure cases of the proposition, following rather a coupling logic: blacks should deal with blacks, etc. But the idea that such affinities are more important than years of specialized schooling was an intriguing advance (or retreat). More important to what? On the surface, to productivity. Whether the newly qualified were viewed as members of a rationalized team headed by the highly trained professional or as replacements for the professional, the declared or implicit assumption was that "results" would improve. Only a black teacher could properly teach black kids; only a Hispanic interviewer could get her white male scholar boss the real lowdown on work motivation of Puerto Rican welfare mothers.

But there may be more to the trend than this. All of these instances fit into the pattern of dwindling empathy toward the poor. The desire to nationalize and depersonalize income support and the desire to reduce direct, white, middle class contacts with the poor in the service occupations may both be part of an affluence-bred distancing of most Americans from poverty. In both cases, the appeal to efficiency or effectiveness strikes me as suspect.

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*Report of the National Commission on Community Health Services, 1967, p.23.

Recapitulation

This, however, is tangential to my second proposition, that rationally we ought to be shifting more jobs with undeliverable product to lower-paid workers. I am going to sketch a scenario based on this theme. Initially, I planned to start the chapter with this scenario, but then I began to wonder if I find it plausible for the wrong reasons. Perhaps I am too much in awe of the "manipulative rationality" of industrial-era minds. Certainly, noneconomic motives are important, and the class/cultural components of economic motives.

So I decided that, before I discussed the future of the work force, I had to pay serious, probing, and necessarily speculative attention to the question, "Why do we have so many jobs today?" Basically, I have given two answers. We have them because people want them (and because people want people to want them); and we have them because the demand for goods and especially the demand for services in an affluent society is insatiable.

In connection with the first answer, I developed the point that the money economy has generated a cultural mystique, in which work means making money, making money means "self-support," and the value of the job to some extent is separate from the worker's product. I pointed out that this is by no means a wholly new concept. It has something in common with Jeffersonian and other pre-industrial thinking which subordinated economic efficiency to the effect of the work experience and setting on the worker, as a person and as a citizen. Also, of course, the bald idea that people who earn a living--whether directly or with the intermediation of a wage--are better than other people has been a general theme of Western culture, although every place and time has probably made exceptions to it, and some ways of earning a living have always had higher status than others (with contemporaries commonly differing on the particulars).

In connection with the second answer, I have placed emphasis on the hospitality of the affluent marketplace and culture to what appear on the surface as undeliverable-product transactions, and to other transactions where ostensible and real product differ. I have mused on the fact that "exploitation" is a sharp-edged concept only in the economy of scarcity (and not always there). With abundance, the fringe benefits of undeliverable-product transactions and the costly circuitousness of cloaking real in ostensible product become "worth the money." The demonstration of good intentions becomes worth the money. Thus the superstructure we have built on our basic economy, and thus a rate of expansion of that superstructure that has brought many millions of manual workers' children into the modern middle class.

These things constitute a major part of the basis for speculation on the future. While it is not necessarily true, here or anywhere, that "successes" to date promise further success, the general rule in such matters is that the burden of argument falls on the doubter. If we have been successful to date in accommodations to economic change and population growth that have placed more emphasis on the manufacture of jobs than on the enlargement of leisure, we will probably continue to be successful at this for some decades to come, assuming the persistence of motivation (and I do).

A Services-Rationalization Scenario

Thus the issue seems less the size than the organization and productivity of the future work force. Here I introduce my scenario, which is based on analogy: i.e., on the evolution of farming and manufacture. In this scenario, rising productivity in the basic economy supports a continuing shift of employment to the service sector. Further, as the functioning of the basic economy becomes more mechanical and more highly regulated (by computer and government), the tendency for ambitious, innovative, talented people to seek employment where they can make a sharper personal imprint intensifies. The pull here is an aggregating of both private and public service enterprises, meaning more opportunities for money and power at the top. For public services, this is encouraged by increased reliance on state and especially federal funds, since centralized funding agencies typically introduce incentives or requirements for aggregation because it simplifies bookkeeping and regulation.

What accompanies aggregation and the creation of an ambitious and empowered managerial class is the subordination of the professional and, in many situations, the rise of the technician, since scale introduces the need and the capability to invest in computers and other equipment. Possibly the competition between professional salaries and these "hardware" needs is the catalyst to rationalization. Possibly the new managers are impatient with the doctrinairism, impracticality, snobbery, or other qualities of the highly educated professionals. In any case, the idea that people are overqualified for many of the jobs they now hold is the great discovery of, say, the late Eighties. The operations researchers and systems analysts descend on the huge, by then regionalized, health and education industries, on welfare agencies that may have enlarged substantially to compensate for the deficiencies of nationalized income support, and perhaps even on the police departments.

There are strikes, slowdowns, even sabotage, but there is also relentlessly a process of reorganization and job redefinition in which those professionals who cannot adapt to the new dispensation replicate the fate of the old-fashioned artisan and "mechanick." The elementary school class is conducted by a warm-hearted community college graduate, with highly detailed instructions and expert back-up. Most people never see an M.D. unless they are seriously ill. Most local aspects of the welfare system are managed by former (or present) welfare recipients. In short, the continuing shift to a service economy in the long term advantageously affects job opportunities for the less skilled, for reasons not dissimilar from those which gave industrialization this effect. However, by most people's standards, these paraprofessional jobs are superior to the low-skilled jobs industrialization created.

What happens to the middle class? Obviously, much of it is not affected. Looking for precedent at the old agrarian, craftsman, and shopkeeper middle classes, I would say that some are displaced and downgraded, some shift laterally to other industries, some move into management, and many of these moves take an intergenerational form. Such developments are nothing new--nor are they all ancient history. Forty-five years ago we had 20,000 midwives, compared to about twelve hundred today (up from four hundred in 1960). In 1952, we had more self-employed business managers than salaried ones. We now have a third as many, and in this process of twenty-year decline--which is a decline in absolute numbers, not merely in share--the median income of families headed by a self-employed businessman has dropped from 125% to 99% of the median for all families. Significant changes in our economic opportunity structure occur all the time. A downgrading of the professional component of the service industries is of special interest primarily because it would involve a class of workers we are accustomed to regard as advantaged in all those respects which support a projection of further-expanding numbers and influence. Recall that it was Dr. Leete, a scholarly, aristocratic generalist, who was spokesman for the future in Edward Bellamy's Looking Backward and Equality.

The association of the future with the perfected ascendancy of the traditional higher vocations has been an enduring theme of speculative writing, quite possibly because the producers and consumers of this literary genre mostly belong to the "higher vocations" themselves. Since the Thirties, this perception has been reinforced by the increasing influence of "intellectuals" in the federal government, where there is no question that such people have constituted the dominant and successful force for enlargement of the government's social policy role. By contrast, the American Federation of Labor opposed unemployment compensation as late as 1932, opposed the minimum wage in 1937, and the AFL-CIO opposed Nixon's Family Assistance Plan.

However, excepting lawyers, the traditional professions do not as such influence government very greatly other than through lobbies that are neither more nor less self-interested and parochial than other lobbies. The fact that a larger proportion of talented, aggressive people have college educations today--and that nearly as many have five or more years of college as have four--is not precisely the same thing as increased influence of "intellectuals." My scenario does not propose diminished influence of the highly educated, but a shift of this influence toward an enlarging managerial class. Today it is common for practicing economists, sociologists, urban experts, physicians, social workers to spend several years in fairly generalized policy-affecting government posts.

Incidental to the organizational trends of the scenario, the managers of such people (often former professionals themselves) become available in increasing numbers and appear more appropriate for such posts. Government taps the practicing professional's specialized expertise, but is more interested in and influenced by the manager's larger and less parochial perspective. (Also, the political effectiveness of the professional associations' lobbying declines. The service industries do not become strike-proof but the rationalization of processes reduces the impact of professional militancy.)

Critique of the Scenario

A major weakness of this scenario lies in the concept of rationalization. A peculiarity of the service sector is that the transaction experience is often a significant part of the product. This means that measuring output per worker-hour can be impossible and is often nearly so. With respect to medical transaction, for instance, it allows the iconoclast to say that perhaps eighty-five percent of what a physician does could be done as well and in many cases better by a lower-priced, less-trained worker, and it also allows the traditionalist to say that this simply is not so: the physician is a "shaman," a scientific magic man, and this is integral to the effectiveness of the medical transaction.

The traditionalist will also say that only the physician has sufficiently highly trained diagnostic intuitions; only the physician is competent to judge when a physician is needed. And he will further say that the apparently routine components of the doctor's job are what give him a feel for the patient as a whole person and for the bearing of the patient's situation on his physical ills. The iconoclast, in turn, will brand this romanticization. How many physicians make house calls today? How many spend more than a few minutes with most patients? For how many is the "shaman" role debased to the ritual of writing out a tranquilizer prescription on the basis of a snap judgment? The iconoclast may also suggest that upper middle class, male, white professionals do not relate very well to people unlike themselves.

These differences reflect real uncertainties about the processes of medical care which yield ambiguities about what medical care ought to cost. What is "enough" to spend on the elderly or the poor for medical care, in comparison to other means of addressing the many health problems that accompany old age and poverty? While the issues are usually less stark, the same sort of question may be asked about other services.

Such uncertainties mean that the concept of rationalization is typically applied to a most superficial construction of unit costs: expenditures per pupil, per patient, per hospital bed, per welfare client. They also mean that the availability of funds tends to determine unit costs. This, in turn, means that extraneous political factors often determine how much is "too much" in highly irregular and unpredictable ways that produce the crudest kind of economy measures.

The ability to take actions intended to reduce the unit costs of the most readily measured aspects of service production seems likely to be improved by larger-scale organization, and larger-scale organization seems likely to be fairly consistent objective of those who control the governmental purse strings in the future. But effective implementation of intent in the public sector encounters complications most of which I have previously discussed and will here briefly summarize:

--the social commitment to try for "moral progress;"
--the duality of the consumer role: the taxpayer expects some kind of return on his money even if he is not an immediate consumer of the services his taxes purchase--and this tends to be costly;
--the implications for the aim of access or "equal treatment of equals" of the tendency of unit costs to equal available funds;
--an affluent society's emphasis on ill-defined qualitative aspects of process and product;
--the several forms and dimensions of cultural pressure to create jobs; and
--analytical, political, and "inertial" obstacles to coordinated determination of all publicly funded service needs, in connection with the authorization and appropriation of funds.

This last point suggests that a rationalized public service sector has such formidable prerequisites that we should not expect it to materialize for a very long while, yet there obviously is a limit to the extent to which it is meaningful to speak of rationalization of any one service sector component without reference to a master plan. With some qualifications we accept the marketplace as the determinant of the right ratio between expenditures for tobacco and fresh fruit, but this criterion--essentially, whatever is is right--is inappropriate for the public sector. Logically, there is a right ratio between, say, expenditures for retarded children and for national parks, but the character of the tax-funded enterprise (especially its moral aspect and consumer duality) does not permit this right ratio to be self-defined.

Competing demands for public goods are a central public policy issue, but the nature of decision-making in the public sector is, at present, such that neither intuitive nor scientific criteria for determining and effecting right ratios can be applied. This is not inevitable forever, any more than it is inevitable forever that the marketplace (and resources) will determine the supply of various private goods, but changes will probably not come fast, and there will be a large, irreducible element of ambiguity. The public school system cannot stand or fall on cost-effectiveness analysis; the benefits of insurance programs cannot be weighed dollar for dollar against the benefits of public assistance programs; and so forth.

All of this points not only to the improbability of early rationalization of the public service or social policy sector, but also to the likelihood that rationalization of the components may be more apparent than real. Two possibilities invite attention. The first is that agglomeration and division of labor will proceed as suggested by the scenario, but that the implication of heightened productivity will prove incorrect. Costs will rise; cost-effectiveness will not. Increasingly, the bloating service sector will constitute a drag on the basic economy, a dampener of economic growth, and an arrogant and sanctimonious spouter of platitudes that define the frame of reference of social policy discussion.

The second possibility is that the upper middle class will close ranks to protect its own from any job or status displacement. This is a familiar scenario, although commonly cloaked in euphemism, and what it points toward is a kind of mandarin society. Within the service sector, there is a sharp demarcation of higher and lower positions, with respect to both status and pay. Top positions are increasingly predicated on advanced education, per se, rather than on its relevance to the work at hand. As in the governance of most hospitals today, the professional sets policy; the administrator administers. This means, inter alia, that investment in labor-saving devices is biased toward reducing the inefficiency of reliance on human labor at the lower, not the professional levels. As has been so long forecast, the less-skilled worker is--as you will--rendered superfluous or emancipated from wage-slavery to "make love, study, and be happy." There is also in the literature a variant on this theme in which both the traditional upper middle class and the less educated are put out to pasture by "technocrats" and highly automated production-distribution apparatus.

It is tempting to dismiss the mandarin society and the technocratic society as complementary manifestations of upper middle class psychology, but this interpretation pays inadequate deference to the size and complexity of an economy which employs considerably more people in state and local government alone than the total population of Sweden. While it is this very size and complexity that make the ascendancy of mandarinism or technocracy improbable, they constitute useful labels for forces that in various times and places are likely to assume importance. And certainly it is hard to dispute a trend toward technocratic management in the basic economy.

However, three-fifths of the work force are now white collar and service workers, compared to less than half a generation ago, and the central issue for such workers in the next quarter century will almost certainly not be mandarinism or technocracy but organization and efficiency. My guess is that, where the discipline of the marketplace is missing--and this applies to government-dependent as well as government enterprises--there will be a significant extent of reorganization in the name of efficiency, a marked increase in less-skilled jobs in the name of rationalization, but a continuing pattern of rising unit costs of production.

Implications of the Scenario: Nonlinearity of "Structural" Displacement

Using these assumptions, I now want to ask what are their implications for the low and relatively low income population that is the primary concern of federal social policy. The first point here is that theories of structural change operating to squeeze out marginal workers become relatively unimportant. Such changes are seen as of only local or short-term import. Thus, for instance, a linear decline in small-scale agriculture reduced the black farm population by two-thirds in the decade of the Sixties alone, but during this same decade the nonwhite workforce increased by 22% and the white collar proportion increased by 72% to comprise 28% of all employed nonwhites, in absolute numbers a rise from 1.1 million to 2.4 million such workers. A catch-up rate of improvement in educational level of blacks virtually assures further increases in white collar employment, quite possibly amounting to proportional representation by the end of the century, if not to a proportional payroll share.

During the Sixties, the percent of nonwhites employed in services declined, but this was more than accounted for by the drop in private household servants; the percentage of nonwhites employed in other services slightly increased, and it remains more than double the percentage of white workers. While these jobs carry low wages, they constitute the economy's most likely growth sector, and a sector that in my scenario tends to acquire promotion ladders filling the space between low-level and lower professional jobs. In other words, present concentration in this sector can be construed as more propitious than not for the future economic opportunities of nonwhites.

More speculative is the future of the rural and semi-rural areas partially depopulated by structural change in agriculture. Area redevelopment projects (unless one goes back to the TVA) have had disappointing results, but this may be attributable to low levels of investment. Since practicable investment levels are an intractable obstacle to planned regional development, it may be more interesting to conjecture on the possible impact of such an income support program as Nixon's Family Assistance Plan, which could double consumer outlays in some depressed areas. Anticipation of such effects as rising prices and wages (squeezing out marginal producers) accounted for some of the southern white opposition to the FAP, but the tendency has been to dismiss these arguments as hopelessly contaminated by racism rather than to test the hypothesis and consider alternatives. Quite possibly, this is an area where there is a marked contrast between short- and long- run effects.

Certainly, one of the "Northern" arguments for such a program--that it will stem if not reverse the cityward movement of blacks--can be translated into an economic development scenario with two components: first, rural out-migration is stemmed because a decent standard of living becomes attainable without moving, and a decent standard of living implies remedy of nutritional and other deficiencies that produce marginal employables. Second, stemmed out-migration alters the trend in depressed areas toward a bar-bell age distribution--the very young and the old. By keeping people in their prime productive years in a holding pattern, the area improves its attractiveness to potential industrial in-migrants. At the same time, the secondary effects of quickly spent "welfare" cash are less decisively inflationary than they are a stimulus to commerce, thereby to the tax rolls, thereby to local public services. The enlargement of local commerce and of the local service infrastructure again improve the area's attractiveness to industry.

This rural development cum FAP scenario could be elaborated to include revival of the family farm as an economically viable unit (i.e., the FAP would, in effect, shift the balance of agricultural subsidy programs). But my interest at the moment is to challenge a type of thinking about structural change in the economy that, for a century and more, has persuaded educated Americans that jobs for the ordinary worker are inevitably going to dwindle.

Historically, this can be shown to have been a defect of imagination on the part of an elite who failed to appreciate our growth potential, including the educability and adaptability of the ordinary worker, but it is always plausible, when faced with such mistakes, to say that, while what seemed obvious in the past was in error, changing conditions validate the postulate today.

The engrained association of progress with education leads us to emphasize whatever supports the thesis of dwindling job opportunities for ordinary people, the most conspicuous example being the rising rates of "normal" unemployment in the postwar period (although our lowest unemployment rate was realized as recently as 1968), the concentration of this unemployment among the less skilled, and the reduced labor force participation rates of adult males. However, all of these things can be explained in other ways than as manifestations of irreversible structural change in the demand for labor. Social policy has itself reduced the male demand for jobs and improved the viability of unemployment. The farm exodus, into combination with discrimination against minorities and the availability of public assistance, has translated invisible rural underemployment in visible unemployment in the money economy, producing what may reasonably be regarded as transitional dislocations. Finally, from about 1960, we have had a disproportionate increase in the numbers of youth reaching working age: 4.2 million eighteen-year olds in 1975, compared with 2.5 million in 1960. Because of the lag in black birth rate decline, the attendant assimilation problems for black youth will last longer: in 1980, one in 7 18-year males will be nonwhite compared to one in 10 in 1965. But the general picture of our age demography indicates high employment rates, not labor surplus, as the more credible situation for the Eighties and Nineties.

Implications of the Scenario: Social Policy Priorities

If we were to come to think of the low-skilled worker as more probably in scarce than in over-supply in the "foreseeable" future, there would be a marked shift in our social policy priorities. Quite possibly, a major problem of the anti-poverty war was ill timing in this respect. Ironically, since we were entering a period when unemployment rates would fall very fast, social policy was not functioning in terms of the economy's need for the marginally employable nearly so much as in terms of the society's moral obligation toward "superfluous" people whom enlightened thinkers expected to grow in numbers. A "war" was needed to reverse or retard a long-term trend.

Given this formulation, the alternative of liberalized income support had great attraction, and the possible effect on work incentives did not seem important. If eventually we were going to have to provide for large numbers of the structurally, permanently displaced, we should begin, as the political situation permitted, to establish the groundwork now. This meant rationalizing and extending our system of income support. It also meant a shift away from emphasis on basic skill instruction and competitive values in the education of the children of the poor. And it meant working toward substitution of the concept of a guaranteed income as a right for the concept of a society's duty to aid paupers.

Several years ago, some of the liberal academic economists shifted their attention from the negative income tax to wage subsidies and earnings supplements for the working poor. My impression is that this shift was largely expedient. Further study of the NIT was subject to the law of diminishing returns. Also, the political climate was hostile to "welfare mothers," but not necessarily to low-income workers.

As a tactic, this shift of emphasis seems to have fallen flat. The Congress, HEW, and the media have continued to treat welfare reform as a single subject. Further, I know of no evidence that those who encouraged a new way of looking had any intent to challenge the fundamental belief that, in the long run, jobs for the less skilled are going to become increasingly scarce. The intention was not to dissever aid to workers from aid to indigents except as a temporary political expedient, and for analytical purposes. Insofar as basic attitudes had changed, this had occurred in the middle Sixties, with a general backing off from the proposition that the age of automation and the "leisure society" were right around the corner.

However, it may be that many people who assume the long-term "inevitability" of fewer low-skilled jobs would be willing to accept my scenario as a case of the self-defeating prophecy: Because we see the danger, we will take the steps to avert it. If this is understood as a cosmic perspective, I have no quarrel with it, as I have already made clear: a major theme of the twentieth century has been our unwillingness to reduce the social role of "work." But this unwillingness is rarely the proximate cause of job creation, even in the public sector. Deliberate job manufacture on the scale practiced in the later years of the Great Depression, or on the relatively much more modest scale that we are practicing today, may historically have had an etiological relationship to the growth of the public sector, but no one would contend that it has been a major factor, and there are good reasons to doubt that it will become one any time soon. While an extraordinarily large majority of the public favors the idea of government-guaranteed jobs, or of government as the employer of last resort, the political obstacles to massive, direct job creation are formidable. The unions will remain vigilant to assure that the wages for such work are not low enough to undercut existing wage scales. Thus the costs are so astronomical as to render academic other intractable questions, such as whom the guarantee would include among the unemployed (married women? teenagers?), what the substance of the work would be, who should be the favored employers. Indeed, the very concept of a permanent guarantee of temporary jobs is problematic.

The national government will have a much larger role in sustaining employment in the year 2000 than it does today--this seems nearly certain--but deliberate job creation, for the bare sake of creating jobs, will be a minor component. Jobs will be generated to meet the perceived need for product and to "rationalize" our means for obtaining product. The national role here can be threefold: grants, revenue-sharing, and the assumption or enlargement of operating roles.

At the same time, the extension of nationally-funded income subsidies to low-paid workers and their families seems very likely to extend well beyond the present food stamps program. Considering how widely and strongly such extensions are endorsed, astonishingly little imagination has been exercised in anticipating the effects. I have offered several speculations: a possible long-term "economic redevelopment" effect in depressed areas; conceivably, renewed economic viability of the family farm; accelerated attrition of fulltime employment among younger and older workers if earnings supplements are not limited to families with children; and encouragement of premature family formation by teenagers in low-income areas who would rather play house than go to school--this last predictably raising the divorce rate and placing in question the thesis that family break-up can be significantly reduced by extending welfare to "male-headed" families.

It may be added that what is a wage or earnings supplement to the worker is also a wage bill subsidy to the employer. While marginal firms that provide disagreeable work at very low pay may go under, other firms, marginal or not, may find that the worker who is supplementing an income guarantee will work for lower wages than if his wage were the sole means of family support. This suggests the same threat of narrowed wage differentials to which the unions are so sensitive in the case of guaranteed jobs, the sole difference being that the benefits accrue to private as well as public sector employers.

Whether this development is good or bad is an interesting issue. To the good, it might stem our tendency to export low-skilled production jobs to countries where labor is cheap. At least, I suppose this is good, but my basic point is that innovations in social policy on the modern scale must be expected to have massive economic effects, and incredibly little attention has been paid to these.

But neither has much attention been paid to the social effects, the cultural effects. What will earnings supplements mean for the concept of "earning a living"? I propose that, if the government supplements family earnings up to a "middle nonaffluent" level (the basic guarantee, of course, being below the poverty line), there will be subtle but profound alterations in the perceptions and attitudes of a large segment of the culture.

This suggestion calls on several trends I have previously discussed: the tendency of the money economy to comprehend an ever-larger number of formerly "noneconomic" activities; the parallel trend toward greater leisure and, in recent decades, greater "incorporated leisure"; and tendency to regard the conditions and fringe benefits of white collar work as the norm. While industrialization operated initially to compartmentalize "work" and "leisure," the trend of paying people for time when they are not working is far advanced. It is also differentially distributed among occupations in ways that defy rational justification.

Thus the point about welfare reform is not merely that, as a practical matter, we would not be able to compel income recipients to maximize their work hours. It is also that the mushroom growth of the white collar sector has blurred the issue of "a day's work for a day's pay." A file clerk, say, feels underpaid at $7,000 a year for a 35-hour week and (assume she is never sick) a 46-week year in an air-conditioned government office. At $2.50 an hour, a day laborer would have earnings of $4,025 for this amount of work. This is $3,125 less than the cutoff point for earnings subsidization of a four-person family under the welfare reform proposal developed during 1974 by HEW. To reach this cutoff point without subsidy, our day laborer would have to work more than 55 hours every week of the year. At $3.50 an hour, he would have to average 40 hours of employment a week--with no vacation, holiday, or sick leave.

The fact that we studiously avoid making such comparisons limits their importance in conjecturing about the cultural effect of routine governmental subsidies to low-paid workers, but this is perhaps best viewed in terms of a short-range threshold point. If we succeed in enlarging our income support system to include earnings supplements to the working poor, and if this innovation survives the first five years, it will probably become a permanent feature of our socioeconomic landscape, and its blurring of the distinction between earned and unearned income will become a permanent feature of our culture.

Note that this is not the same as erosion of the work ethic. Like our other adjustments to rising productivity in the basic economy, it helps to assure full access to the "dignity of self-support." From this perspective, emphasis on the predictable reduction of work hours is myopic. By the standards of 1900, hardly anyone works "fulltime" today; further, the idea that anyone in a society so affluent as ours should work what we mean by fulltime, year round without earning enough to support a small family has to affront a culture that attaches symbolic significance to the fact of "work."

A logical further step would be a next stage of welfare reform that acknowledges the social value of the work of child raising by paying women in low income families to care for their children. Government benefits to housewives, ranging from vacations to pensions, are accepted in Europe, while wives' benefits under social security are an American precedent for treating the housewife as if she really "worked." The costs of a governmental salary for mothers are too exorbitant to take seriously, but a program which redefined the rationale of AFDC, without greatly increasing outlays, is not to be taken seriously only because the immediate cultural context is not congenial to it.

The alternative of day care centers to allow the mothers of young children to work is not economically viable on any scale. As noted in Chapter VI, it would generally be cheaper to provide the welfare mother of several young children with a fulltime maid, if she took a job. Further, we are talking in the main about women with limited education and even more limited work experience; about women who often face race and sometimes language barriers to employment; about children who are sick more often than average. We are talking about areas with endemic high unemployment rates for both sexes, with cultural and "psychocultural" as well as economic reasons for this. Also, and not least important, we are talking about what used to be called maternal instinct and the cultural attitudes, values, and behaviors that are associated with it.

Thus the idea of dignifying "welfare" by construing its payments as salaries for socially valued work could come to recommend itself especially in the wake of the kind of welfare reform most commonly proposed today. One way to look at this is in terms of the distinction between the fair wage and the living wage. Earnings supplements are one way to accommodate the conflict between these two concepts. If observance of the principle, "to each according to his work," yields a substandard income for many families, the government can supplement earnings up to the point where the fair wage and the living wage are judged to coincide. However, since numbers of children is the most important determinant of this level, the same end may be achieved by paying the mother in the low-income family a set sum for the care of each pre-school child and some fraction of that sum for the care of her older children. This is somewhat more sensible than an earnings supplement based on number but not age of children. The simple head count is appropriate if the family's needs are the only criterion, since older children are more expensive to maintain than little ones, but the tax-paying public may reasonably come to prefer a criterion which reflects the age-related differences in a mother's domestic workload and her ability to take a job outside the home.

Also, details can make a difference here, and a detail I have not seen discussed is: to whom is the NIT check made out? If the program is administered by the Internal Revenue Service, the well-established principle and practice of encouraging joint tax returns by married couples would almost certainly determine the decision, and the influence of the women's rights movement on federal policy makes it nearly as certain that a program administered by the Social Security Administration or a new agency in HEW would also address its checks to both husband and wife.

It is already the case that either the wife or husband and wife jointly manage the money in a sizable majority of lower-income families even among ethnic groups with a strong patriarchal tradition. The probable form of disbursement of earnings supplements seems likely to enlarge this majority rather than to reinforce proprietary, "my money" attitudes on the working husband's part. If anything, the increase in the supplement with additions to the family will encourage both partners to think of the supplement as more the wife's money, as will the reduction when the child ceases to be a dependent or, if benefits are age-related, when he or she starts school. In other words, a cultural perception within the low-income family and neighborhood that the government pays mothers for the work of child-raising can very well develop in a system that is not officially construed in this way.

Yet the neighbors of these husband-wife families would include the publicly supported "female-headed" families, and, on precedent, we may project that over 80% of these female family heads with dependent children will not have jobs on any regular basis, if at all, and that they will continue to be subject to harassment from the authorities on this account. Thus there develops a fairness or equity issue in these communities: by what right does the government apply a double standard to homemakers who do and do not have husbands? If the former get "their" checks routinely, why should not the latter?

This inequity could be resolved simply by wiping out work requirements for the husbandless mothers, but the concept of child care as a job entitled to a minimum wage is the alternative that is most consonant with the long-term cultural trends of industrial and "post-industrial" society. Rather than moving toward a system where fewer and fewer "work," our tendency has been to multiply and diversify the activities that yield a wage, to the point where one would be hard put to identify any human activity that does not make money for someone. There are people who are paid for eating or drinking; there are people who are paid for sleeping; there are people who are paid for watching other people (who may also be paid) have sexual intercourse.

This concludes my discussion of work in America and of its interplay with social policy. I have not dealt with what social policy in this area should be, but with what seem to me its tendencies and their implications. Looking ahead, the tendencies I have described appear rather costly, but not unattractive for the poor. However, I wish to stress that their attractiveness for the poor is primarily a matter of the projected abundance of "real" jobs. Earnings supplements can reduce the anxieties and material hardships of irregular employment, but this could be accomplished more efficiently by liberalizing eligibility for unemployment insurance. A substantial fraction of outlays for earnings supplements will be experienced by the recipients as an annual increment to family income of several hundred dollars. This is not a sufficient sum to improve living standards significantly. Past the first year or two, it can hardly be expected to contribute to psychological wellbeing. And it leaves untouched the vulnerability to exceptional expenses which I discussed in Chapters II and III.

All told, some billions of dollars of the expenditures for earnings supplements will offer the taxpaying public very little return for its money. This wastage is even more significant for wage subsidies, since most low-wage workers are members of nonpoor families. Ideally, a decision to supplement individual or family earnings should be prefaced by careful study of the probable macro-economic effects. However, circumstances may have made this decision for us. The food stamp program assists the working poor and near-poor as well as the indigent, and the 1974-5 recession has brought the number of beneficiaries close to 20 million. This figure would, of course, be considerably larger if those who receive benefits at any time in the year were cumulatively tallied.

Thus it may be that earnings supplements have entered by the back door, and future debate will be limited to the narrow question of whether cash should be substituted for coupons. But I question that the constraint is as narrow as this phrasing implies. The appeal of the present food stamp program is limited by the restricted nature of the grant and by the harassing requirements for certification and frequent recertification. Despite the recession, take-up remains far below the estimates of eligibility. If one does not have a tactical interest in cultivating belief that all options except for "cashing out" food stamps have been foreclosed, the argument that this is so is interesting but not decisive.

If we have greater latitude, what commands attention is the crudeness of disbursing billions in accord with simple income criteria and NIT-type benefit reduction schedules. If it can be persuasively demonstrated that significant stimulation of the national economy and especially of depressed-area economies should flow from this innovation, that would be a potent argument in its favor, but such work has not been done. The argument for predominantly or seriously deleterious economic effects can be made as plausibly today.

But it is also possible that the art of economic model-building (like the art of program evaluation) occupies a state of development or acceptance which only persuades the already persuaded. While such studies should be undertaken, a necessary additional activity is to specify the problems that aid to the working poor and near-poor intends to address. To recapitulate, my own list includes insecure or irregular employment, vulnerability to extraordinary expenses, racial and sexual discrimination, special problems of depressed areas, and, in some cases, an income disadvantage for fulltime work relative to welfare payments. This list may be augmented. For instance, demeaning work is surely as relevant to social policy as a demeaning welfare system. Also, recession and inflation bear hardest on less skilled and "minority" workers. It seems unquestionable that the working poor and near-poor would benefit more in the next quarter century from a repeat of the past quarter century's economic growth than from any enactable measures to redistribute income. While this statement assumes that our quality of life will not be sabotaged by pollution and resources problems, it is nonetheless worth making.

At a similar level of uncertainty, another statement worth making is that public monies committed to mechanical income redistribution subtract from monies available for other purposes. These other purposes include the rational harnessing of human energies to satisfy needs, whether in the public or private sector. In other words, the issue is not merely that the recipient of earnings subsidies may need something else more, although that is an important issue. It is also the purblindness of crude subsidization of all low wages or earnings, compared to paying money, as taxpayers or consumers, for desired kinds of work. This is germane not only to the health of the market but to the worker's psychological well-being as well. The earned dollar is more satisfying than the dollar which supplements wages on the basis of computed need. This helps to explain why the minimum wage, which camouflages some "unearned" dollars, remains such a popular measure despite its many shortcomings.

Given the choice, public policy should always prefer raising low earnings to supplementation. But whether this preference should extend to further deliberate camouflage of unearned income is not clear. Subsidizing the employer's wage bill--another reform that has been proposed--like the minimum wage allows the worker to feel "self-supporting," but it carries a strong potential for corruption as well as distorting the market.

In short, there are no safe quick fixes for earnings inadequacy, nor can we even be confident of the meaning of the term when nearly half of Americans with income under $6,000 (NORC, Spring 1974) say they regard their incomes as at or above the national average. All we can say for certain, beyond specifying documentable problems of particular people, is that the judgment of most educated Americans today is strongly colored by disbelief in the efficacy of economic growth to preserve, much less enlarge, economic opportunities for the poor and near-poor.

CHAPTER IX

SOCIAL POLICY AS SOCIAL PROCESS

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Social policy is the expression of social values. It is sometimes their harmonization. It is sometimes the assertion of one value over another. It is sometimes the parallel expression of values that, at least for a time, cannot be harmonized and cannot win or lose in the deep sense that allows us to say that an issue has been settled.

Further, at any one time, social policy is all of these things, and the fact that it is all of them always seems intolerable. This was true a century and two centuries ago, when the government's role in social policy was much smaller than the role of the churches and of custom. The difference today is that the Federal government's role has been increasing by leaps and bounds. All manner of issues that belonged to state and local government and to the private sector half a century ago are now securely established as part of the national domain; in some cases, as almost exclusively so.

Part of the problem this raises stems from the distinction between a Federal and a national government. The public assistance programs born during the Depression were Federal programs, created and heavily subsidized by Washington but, by and large, implemented by the states and localities. But this type of organization came to be known for its defects. Rhetoric aside, the poverty war was intended to implement national policy directly at the local level. The continuing efforts to reform public assistance have had this same emphasis. While the policy trend for medical care is less clear as respects the particulars, a growing national role also seems very likely here.

The national government is committed to the general welfare. But what does this mean? Most Catholics deeply disbelieve that it means implementing a woman's right to be rid of an unwanted foetal growth. This is not an issue that can be settled by majority vote, or by a Supreme Court decision, or by a Constitutional process which might overturn that decision. But it is an issue that the centripetal forces of our time have nationalized, and this means that it ought to have one right answer and one wrong one for the United States of America

Most issues are not so stark, and the Supreme Court has been known to back-pedal--for instance, on welfare rights--but it remains clear that a basic problem of an enlarging national social policy role is increased confrontation with deepseated ethical differences. Because these issues patently cannot be settled by majority vote, the tendency is to look very heavily to the courts, or--at a further remove from democratic processes--to the experts.

In this latter case, it is necessary to believe that the ethical issue or issues have already been decided. It is known that many people object to abortion or "affirmative action" or the concept of welfare as a right. It is known that these objections are no more rooted in self-interest than are one's own opposing positions. The assertion is simply that some beliefs are better than others. As in the quotation with which I began Chapter II, the role of "the people sitting here" is to "lead the public." And this also is seen to be the Congressman's role. On issues that have an ethical aspect, he should vote the national interest, not his constituents' views.

This, obviously, is a very old debate. Indeed, it summons to mind the dominant sentiments and perspective at the Constitutional Convention of 1787. As Madison said of Gouverneur Morris's views, "He wishes gentlemen to extend their views beyond the present moment of time, beyond the narrow limits of place....Much has been said of the sentiments of the people. They were unknown, they could not be known. All that we can infer is that if the plan we recommend be reasonable and right, all who have reasonable minds and sound intentions will embrace it."*

But today much more is known of the sentiments of the people, and contemporary elitism, despite its liberal affiliation, is often more reminiscent of those Founding Fathers who (well to the right of Morris) contended with Elbridge Gerry that "The evils we experience flow from an excess of democracy."** Too many wrong-headed people have too much say. Too many cooks contribute incompatible ingredients to the broth.

Yet, if social policy is the representation of social values, it can hardly ignore those issues where large numbers of the public differ from the elite. Nor can it successfully offer mere token obeisance to popular values, any more than it can permanently decide undecidable issues.

In a representative democracy, the reform of social policy should begin with serious and respectful study of the will of the people. This means, first of all, identifying that set of policy statements which has such broad-based support that one may reasonably speak of consensus: on a referendum, let us say, eighty percent or more would endorse these principles as abstractions.

What would such a set of consensus statements include? I propose the following:

1. The law should protect all Americans from arbitrary treatment on the basis of race, sex, or religion.

2. Social policy should pursue the objective that every American child enjoy equality of opportunity to develop his talents,

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*Samuel Eliot Morrison, The Oxford History of the American People, 1965, p. 308.

**Morrison, op.cit., p. 306.

to acquire skills that have economic value, and to become a responsible citizen and a self-respecting member of the society.

3. Social policy should support the right and obligation of all able individuals to engage in socially useful work.

4. Social policy should concern itself with the low-paid workers; specifically, with those situations where a fair wage is not a living wage, or where employment is intermittent.

5. Social policy should protect from destitution those Americans who experience loss of income from common hazards--old age, disability, temporary unemployment, loss of the family breadwinner--and it should do this in an undemeaning way.

6. Even in those cases where #4 or #5 above do not apply, social policy should deny the necessities of life to no one, and it should be sensitive that necessities are of the spirit as of the body.

7. The right to personal expression and organization should be recognized as basic, and not to be abridged without serious cause and without the process of law.

8. Social policy should be respectful of the individual's right to secure enjoyment of his or her legally gained income and property.

9. Social policy should be concerned with the rights, the values, the needs, the aspirations of all Americans.

As I scan these principles, they suggest two overarching statements on the nature of social policy: (1) Social policy is normative; and (2) Social policy is nurturant.

Obviously, these two characterizations are not mutually exclusive. The normative role defines the context for the nurturant role, embodying the principles of equality before the law, equality of opportunity, freedom of expression and organization, the association of work with social value, the right to property, the importance of spiritual as well as material values, and the special significance of children in the democratic ethos. The implicit statement is that human beings are for the most part not in a state of being but of becoming. Like the society itself and like social policy, the individual and the family are a process.

During the nineteenth century, these societal and individual-familial processes came to be seen nearly universally as functioning within the context of economic growth and as the engine of that growth. It is possible that even today more than eighty percent of Americans would approve a consensus statement that referred explicitly to economic growth, rather than merely to "socially useful work," but I have given the dissenters the benefit of the doubt on this one.

Can we carry consensus beyond these generalities? In my opinion, the exercise is meaningless unless we can carry it a step further and agree upon basic guidelines to implementation. But here we run up against a familiar characteristic of issues that have a strong normative aspect. Many people--certainly many more than twenty percent of the public--feel strongly enough about one or more such issues to favor making exceptions to rules of procedure they generally accept. And rules may themselves be employed for obstructive or exploitative purposes that use the letter of the law to contravene its spirit. These problems, however, may not prevent us from agreeing on guidelines for national social policy in the ideal form of our type of polity. While we need to get somewhat closer to reality than that, perhaps we can do so without too great attrition of consensus.

A problem of a different kind is that there is very little statistical support for statements that "most people" hold one or another view about the proper role of government, the tax system, the distribution of powers among levels of government, and the like. Consensus support of generalized social policy objectives may, I believe, be legitimately inferred from majority support of related, specific questions of the more controversial kinds that are asked on attitude surveys.

But survey data allowing inferences about procedural guidelines are rare and often equivocal. The basic reason is probably that "most people" don't often think about such things. This was what Blum and Kalven discovered about the subject of the income tax.*

In proposing consensus guidelines, I have construed this lack of interest as tacit endorsement of traditional constraints on government action. In support, I mention again the surprising, solid majority of the public who agree that it is better to have a President of one party and a Congressional majority of the other. This may be slim evidence for my general assumption, but I know of no contrary data. Therefore, I propose the following guidelines for national social policy, suggesting that most Americans not only regard them as correct in an abstract sense but as applicable to the real world:

1. As a guide to procedure, not merely as an objective, social policy should be concerned with the rights, the values, the needs, and the aspirations of all Americans.

2. The purpose of government is not to create a just society but to supplement and regulate the functioning of nongovernmental institutions.

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*This study was cited and quoted in Chapter II.

3. The purpose of the national government is not to supplant other levels of government but to supplement and regulate those of their functions that the Congress and courts determine to have an essential national aspect.

4. The purpose of the tax system is not the redistribution of income but mutual coercion for mutual gain.

5. Following from #4, the government is accountable to the public for the uses of tax money.

6. Social policy must attend to all the consensus objectives simultaneously and without subordinating one to another.

7. Within the stated constraints (including the implied fiscal constraints), social policy should strive for equal treatment of equals.

Clearly, these statements are not useful to the individual who believes that social justice is something we absolutely lack and cannot acquire without "radical restructuring" of our institutions. Since there is no empirical evidence that this course of action is desired by a majority (much less a consensus) of Americans, its proponents seem to be saying either that, by their lights, our type of society is not ethically viable and, therefore, does not have an "ideal" form, or that democratic processes have become so corrupted as to require suspension until the right-minded have put us back on the track where they can function with integrity rather than as counter-productive simulations.

Either way, there are thoughtful Americans who cannot accept the consensus objectives without rank-ordering or without interpretations which exclude the applicability of the seven guidelines to their implementation in our type of society (or in our society at this time). Such people are committed to redefine the society's rules, and they cannot be expected to see relevancy in an approach which looks to existing values in order to define objectives and the rules for their implementation. For the approach to be useful it is, in other words, necessary for the reader to accept all nine consensus objectives in a relatively straightforward way; to believe that the seven guidelines are legitimate in reference to an ideal form of our type of society; to find this ideal attractive as an abstraction; and to disbelieve that "counter-productive simulation" is the definitive term for the relationship of existing institutions and procedures to the ideal.

For and with this reader, I would like now to proceed to consider the highly judgmental question of social policy applications. Are the objectives and guidelines merely platitudes, or can they help us to specify the characteristics of a constructive social policy process for our time and for the next generation?

The basic reason for optimism here is that while the exercise of developing the consensus objectives was based primarily on inferences from the study of attitude polls, these objectives might also reasonably be described as comprising the charter of existing social policies and programs. While the process of derivation was certainly influenced by *a priori* knowledge that this was so, the two "findings" are subject to independent verification. The process is not circular in the way that it would be if existing program objectives were defined as consensus objectives on the ground that they must be such since we are a representative democracy.

There is thus a reasonable basis for placing the concept of a "constructive social policy process" in a past-to-future continuum, at least so far as the matter of basic objectives is concerned. We are not faced with a dissonance of public policy and public attitudes. We have something to build on. We do not have to start from scratch.

There remain two complicating possibilities. Public policy may embody the objectives, but with a style and meaning that violate the guidelines. Second, public policy may, whether it follows the guidelines or not, be expressed in programs that, for various reasons, cannot be assimilated to a prescriptive social policy projection. Perhaps their methodologies are ineffective or harmful. Perhaps, in practice, the policy mix subordinates or sacrifices some basic objectives to others. Perhaps certain trends have developed a momentum, a life of their own, that will need to be curbed. Whatever the particulars, it seems most unlikely that a constructive social policy process can be specified as "going on doing everything we're now doing better and better."

However, as a generalization rather than a specification, this banality can be useful if it encourages us to ask in a different way than usual why we are doing the things we are doing, and why we are not doing the things we are not doing. This area of exploring for meanings would be foolish to probe in detail--a kind of institutional equivalent to the pathetic fallacy--but it is just as foolish to suppose that the peculiarities and apparent imbalances of social policy have nothing to tell us about our society. To cite again from Morrison's discussion of the Constitutional Convention, there is some merit to the Pennsylvania farmer, John Dickinson's exhortation: "Experience must be our only guide; reason may mislead us."

In any case, it is clear that the application of objectives and guidelines to analysis and prescription is not an exercise that can result in consensus statments. It must draw much too heavily on the analyst's psychology, perspective, and special information. But this merely explains the importance of settling as much as we can beforehand. If I have created a frame of reference in which most readers feel comfortable, the application propositions with which this book concludes should come closer than most generalized policy recommendations to achieving the clarity--based on precision of language--that one-way *technical* communications possess. Indeed, by virtue of having spelled out my "simplifying assumptions," I may hope to be less ambiguous than many technical treatises.

Proposition I: Complexity of Social Programs Is a Necessity

In the first instance, this proposition derives from the multiplicity of our basic objectives and from the guideline that they "cannot" be rank-ordered. Even if we restrict attention to those programs that are logically assimilable to a single and putatively more rational program or integrated program construct--that is, excluding (for example) the public schools--rationalization seems to imply rank-ordering to an extent of which we should be wary.

Second, the proposition derives from the commitment to representative democracy, in combination with the undecidable issues problem. We remain a diverse people in our cultures and conditions of life. While these divisions are less sharp than at any time in our past, there is a real danger that the trend toward nationalization of social policy which is possible because of reduced diversity can result in needless and harmful exacerbation of the residual basis for subcultural and class hostility. The virulence of the abortion controversy is a recent case in point. While it is difficult to see how this confrontation might have been avoided, the difficulty is itself germane. The requirement that a national policy express national values and entail official national positions is a liability of significance in non-consensus situations, promoting disrespect for law and confusing political processes, with the emotive "minor" issues skewing partisan alignments.

At an exhortative level, it is simple enough to say that, where undecidable issues are involved, national social policy should (1) keep its hands off; or (2) adopt mechanisms that allow for expression of diverse values; and (3) preserve such mechanisms where they already exist. To translate exhortation into practical recommendations is much more difficult, since undecidable issues are characteristically subtopics of consensus objectives. For example, when Consensus Statement #1 is construed as requiring "affirmative action" to combat institutionalized forms of racism and sexism and to compensate for disabilities resulting from past arbitrary treatment, this construction at once supports and affronts perceptions of justice that appeal to the principle of equal treatment of equals. Fair treatment of some means unfair treatment of others.

Unless the national government is to retire from its social role, there is no way to avoid actions that arouse hostility and resentment. Also, national programs cannot avoid rank-ordering basic objectives in terms of the funds allotted for their implementation.

In all such cases, it would seem that there is necessity to tolerate or even create some measure of organizational confusion. The differing funding levels that logic dictates become invidious only when reinforced by comprehension within a "rational" monolithic organization. The cutting edge of militant affirmative action programs is most lacerating if all blades are honed to this edge, and if those who are aggrieved are unaware of other programs intended to serve their own needs. The liberalization of "welfare" in a backward area is easier to accept if economic opportunity programs are also visible and thriving. Further, as I have mentioned before, there is more than one way to skin a cat: In the early Seventies, high participation in the food stamp program was common in many areas where prejudice against welfare was strong.

In short, the esthetics and economics which term program multiplicity and duplication bad do not tell the full story. The idea that the national government should speak with one voice is valid only for basic objectives, not for the means of their implementation. Considerations of money cost are important, but not important enough to justify massive, simplifying reforms in the absence of thoughtful measurement of their nonmonetary costs. Certainly, we should note and scotch any tendency to allow an esthetic preference for simple grand designs to carry any weight at all in our evaluation of policy alternatives. If our orientation is toward implementing basic objectives in real places, we need the cleverness, the relish for fine-tuning and tactical maneuver, that briefly characterized the poverty war.

The necessity for complexity may also be construed longitudinally. A revenue-sharing program was introduced in the Congress as early as 1956 (by Melvin Laird), but we had to get through the poverty war's rash efforts to by-pass local government and the subsequent accommodations of the Model Cities era before revenue-sharing could have its day in the sun. At least one study of revenue-sharing has observed that the OEO and Model Cities efforts created the organized power in many low-income neighborhoods to have an impact on the use of revenue-sharing funds. While other observers note the inadequacy of "poor power" in this connection, there clearly are advantages to be realized from revenue-sharing, at least so long as important local fiscal constraints can be documented. But it is just about as clear that the permanent flow of federal money, with few strings attached, tends to bloat local bureaucracies, over-strengthen the hand of municipal labor, and become ever more attenuated from serviceability to national objectives.

Perhaps the solution, conceptually, is a pulsating model of centralization-decentralization of decision-making, a model with a full cycle of about twenty years, during which national reins experience a tightening and a loosening phase, but with each of sufficient duration to realize the gains of relatively stable expectations. This concept cannot be translated into practice by prescription. Its value, for practical purposes, is to provide a caution against too rapid trend reversal. It may be that the inertial forces in government suffice to render this caution unnecessary, but the point seems valid to me--to place it in an immediate context--that the wastefulness of revenue-sharing is less than the wastefulness of its termination after a mere five years.

Proposition II: Work Values Must Be Honored

That the affluent, who are the chief beneficiaries of both the monetary and subjective rewards of our work system, should feel guilty about their good fortune is not surprising. Few people can honestly claim full credit for their position in life. Awareness of this is constructive, insofar as it keeps one interested in looking for remediable defects of the work system. But what often gets lost in the shuffle is a sense of the significance of the ordinary worker's psychological dependency on this system. If anything, workers with incomes below the average are slightly more likely than others to believe that hard work is more important than luck in getting ahead, and a solid majority of all income groups hold this opinion.

Surely, one of the shabbiest postures one encounters in elite social policy debate is that which not only asserts the primacy of income redistribution ("The problem of the poor is that they don't have enough money"), but argues that income support programs which make token obeisance to the "work ethic" will suffice to mollify the benighted masses. In effect, this amounts to sacrificing a nurturant function of social policy to a particular construction of its normative function. Significance is denied the fact that the ordinary worker with a routine job attaches great importance to the dignity of self-support and family support. Significance is attached to the premise that the system does not deserve his fealty; he should not be psychologically dependent upon it; social policy--in his own long-term interests--should ignore his present subjective needs.

To design social policy recommendations for an ideal world is a self-serving exercise for the guilty. It is also superficial. In the ideal world, healthy self-esteem would still be rooted in the experience of usefulness to one's fellows, and this usefulness would still be related to some such solvent of differences in talents and other circumstances as the concept of "self-support" provides. Such a basic common denominator of good people cannot be created by exhortation or social policy. Unless or until profound structural changes in our economy evolve, a constructive social policy has to deal, and deal respectfully, with the present means by which ordinary people achieve a feeling of being just as good as anyone else (and better than some).

That these means are exploited by the powerful goes without saying, but this is true for any means of satisfying psychological needs. The permissible limits to exploitation, the determination of costs and benefits in symbiotic social relationships, is a separate issue, and one that is hardly peculiar to capitalism, or to our brand of capitalism, or, for that matter, to an economic frame of reference.

A constructive social policy for our time will necessarily put more money into income support than into the improvement of work opportunities, but it must not treat the latter as less important. Further--and this is philosophically the difficult part--it must recognize that the opposite side of the coin of work opportunities reads "work requirements." I suggested in the previous chapter that the significance of this relationship may change within the lifetimes of many of us. We have a long-term trend of responding to rising productivity in the basic economy by redefining ever more activities as work deserving a wage. We also have a strong majority of the public favoring government-guaranteed jobs for those who would otherwise be unemployed, although it is certain that this majority would dwindle to near-nothing if acquainted with such a program's costs.* However, by the twenty-first century, rather than moving toward a "leisure society," we may find ourselves paying people for the socially useful work of mothering and studenting. Perhaps even the elderly and disabled will somehow be brought conceptually into the work system rather than being supported outside it.

But these speculative possibilities have little relevance today. Today there is no acceptable social policy alternative to a commitment to place real pressures on people who have a choice--or can be given a choice--about becoming or remaining indigent. This means reducing births to low-income teenaged girls who have not completed their education or gained work experience. For the female-headed families already on welfare, it means unremitting efforts to improve the employability, the employment, and the earnings ability of the mother. To link this emphasis to the availability of public day care and after-school care facilities is inappropriate, in part because such centers are so costly that insisting on the linkage is tantamount to (or a smoke-screen for) taking no action at all; in part because of an equity issue--few of the mothers who are not on welfare because they are employed have access to what we define, for welfare mothers, as "adequate" child care services.

The issue is basically a trade-off between the long-term interests of both mothers and children, and whatever short-term risks differentiate the available forms of child-care provision from the type of institutional day-care the professionals recommend. That what is available can and should be improved I of course accept, but I smell a rat in the moralism of *sine qua non*. For the indefinite future, welfare (whatever we call it) is going to provide a poorer way of life, materially and psychologically, than many welfare mothers and most of their children are inherently capable of achieving by work, and certainly by subsidized work. To justify policies and policy emphases on an assumption that this will cease to be true in ten years or a generation, or from the position that it *ought* not to be true, is a construction of social morality that only the affluent can afford to indulge.

If we extend earnings supplements to low-paid workers, it may be that our welfare system's present incentives to family break-up (and nonformation of husband-wife families) will be replaced by equally problematic incentives to low-income youth to drop out of school, marry, and "play house." Needless to say, many of these marriages will not last. Thus, the promise of a permanent reduction in fatherless families has probably been overstated. Further, a welfare reform which extends benefits to childless households carries special risks of increasing the proportion

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*One recent estimate is $20 billion for 3 million jobs. This is net cost after offsetting savings from other programs. (Melville J. Ulmer, "The Pitfalls and Provinces of Public Employment," *Challenge*, January/February 1975.

of relatively young and relatively old adults whose participation in the work force is part-time or episodic. In the case of less-skilled workers in late middle age, a thoroughgoing negative income tax program can amount to a de facto partial early retirement program, especially in such a situation as we face in the Eighties, with extraordinary numbers of workers at all skill levels moving into their forties and creating up or out pressures on the less educated, less healthy older part of the work force.

To allow a negative income tax to amplify the effects of these pressures is to build up problems for the early decades of the next century, when the baby boom generation will itself be approaching retirement age. More immediately, the enactment of any such program whether for all who meet income criteria or for those with children, would call for explicit parallel measures confirming the national commitment to work opportunities and work requirements.

In short, if we follow this route, there should also be a national presence in poor and nonaffluent neighborhoods other than the checks which come through the mail. A good name for this presence is the Office of Economic Opportunity, but only if the title conveys the right message about the mission. The first time around, the Office of Economic Opportunity was simultaneously the spearhead of a war on poverty, and it was spoken of as a generalized advocate for the poor, although all the rhetoric enwrapping its birth had described a mission of reducing indigence and equipping the children of the poor to become self-supporting and to earn decent wages.

As I noted in Chapter VI, within a year of its birth, OEO was diverting energies into designing plans to eliminate poverty within a decade. OEO's legal services and Community Action Agencies busied themselves acquainting the poor with their legal rights respecting welfare, and assisting them in getting on the rolls. Eventually, some millions of OEO's scarce dollars were funneled into field experiments to see how various forms of a negative income tax affected the behavior of the recipients. That it could have happened otherwise is not to be expected. Essentially conservative objectives could not be single-mindedly implemented by liberals in a cultural climate dominated by other liberals who came quickly to sneer at the aim of bringing the poor and the black into the mainstream of a "sick society."

But an agency that single-mindedly stresses work opportunities and work requirements may become more viable in the aftermath of a serious and protracted recession. Ironically, this may be less likely if Congress moves to enact the long-discussed and costly nationalization, standardization and enlargement of income support. Yet this is the situation in which the added costs of a new Office of Economic Opportunity become most worth incurring. They may be mandatory if this type of welfare reform is to weather its predictably horrendous years of administrative bungling and achieve the staying power of the social insurance and welfare programs enacted in 1935.

As I see it, a new Office of Economic Opportunity should ideally be in charge of all nationally funded efforts to improve the employability, employment, and earnings of the poor and near-poor, blurring the invidious and, in my opinion, false distinction between work opportunities and work requirements. If this is impracticable politically, that old stand-by, the planning, coordinating, and referral role, is still better than nothing. And nothing--despite multi-billion expenditures on CETA, WIN, PEP, and other alphabet soup--is what we have today, so far as the unified message that ought to be conveyed by the national presence at the local level is concerned.

Proposition Three: Housekeeping Issues Need Attention

Whether from tactics or conviction (and I differ from some of my colleagues in suspecting it was mainly tactics), the poverty war acted on the Pellagian assumption that human beings will not take improper advantage of loopholes. This assumption was incorrect, but, had it not been adopted, the poverty war would never have been launched. By the time adequate safeguards were built into the design, Congressional support would have dropped below the threshold level. Similarly, a realistic level of cynicism would wholly sabotage efforts to liberalize the welfare system or to initiate national health insurance. This level may, indeed, exist today. The willingness of a liberal-dominated Congress to act boldly may be limited to measures that directly respond to the urgencies of a severe recession.

But a period of cynicism about human nature can be constructive if it does not reach the paralytic level of belief that nothing can be done about anything. The Johnson era's cavalier disregard for human frailty created a momentum which helps to explain the explosive growth of "uncontrollable commitments" in the income-support area during the Nixon years. A period dominated by cynics may react to the huge and still growing volume of national social policy outlays by return to preoccupation with less glamorous matters of error, waste, and fraud.

Here I return to my persistent concern with what national social policy "stands for," a term that in the present connection may be read as a pun. It did not take Watergate to tarnish the national image in the suburbs or the ghettos, nor is corruption in government the central problem, although this is certainly believed to be widespread. Somehow, despite the extraordinary growth of social welfare outlays under Nixon as well as Johnson, Uncle Sam has not acquired an image of sensitivity and altruism. He is seen as profligate, stupid, sloppy, insensitive, naive, cynical--a dirty old man. The national social role in the past decade is remembered in terms of urban riots, crime, drug addiction, illegitimacy, deteriorating schools, the welfare explosion, Medicare scandals, Medicaid scandals, housing scandals, small business loan scandals, "no show" Neighborhood Youth Corps jobs, and so on forever. Instead of a welfare state, our lavish outlays have, it is said in Harlem, created the rip-off society. Not only are there few hold-outs in the stampede to the public trough; the hold-outs are not even admired. If they are local government officials, they are not earning their salaries. If they are individuals, we lecture them to claim their rights. But at the same time, we continue to implement these "rights"--to welfare, to food stamps, to medical care--in a style that typically is abrupt, discourteous, condescending, inconsiderate, and insensitive to the real problems poor people face in communicating, filling out forms, saving rent receipts, and keeping appointments.

Confronted with the inconsistencies, the callousness, the cynicism, the waste, the fraud, our best minds have long since retreated to the never-never land of the nationalized, standardized, computerized negative income tax. The more pragmatic have put their money on improving our planning and evaluation capabilities. But planners do not have and are not going to acquire the power to implement their blueprints. Evaluations are enormously expensive, technically simplistic or dubious (or both), and only persuade the already persuaded. And a negative income tax, if we enact it, will unquestionably disappoint expectations, while failing to ameliorate many problems of the poor for which public responsibility is already well established.

What we can do is recognize the insanity that a multi-fold growth in Federal social welfare outlays has been accompanied by a mere 8% increase in Federal civilian employment since 1965. This has been possible because the Federal grant programs are administered by state, local, and sometimes private sector people. However, such people have no interest in economy--if they spend less than they get, they will get less next year. As agents of national policy, they daily experience conflicts of interest no matter how scrupulous they are, and the scale and disorderliness of the system compound the pressures and temptations to which anyone who has a slice of the tax dollar is subject.

A quadrupling of the federal aid budget in the FY 1965-74 decade, unless we choose to sharply reverse the trend, calls for an army of inspectors. I do not mean Gestapo agents. I mean auditors. I mean people who go over the books of every facility four times a year, people who see that pay schedules are reasonable, people who see that what is paid for is actually delivered, be it hours in the job-training class, summer jobs, or boxes of crayons. This is not "evaluation." Evaluation determines whether Job Corps graduates are working six months later, or whether Headstart children do better than others in second grade. Obviously, the categories overlap: job placements might fit under either; auditing might extend to scrutinizing the selection process for assistance. But evaluation may usefully be defined as quantifying the results of our efforts to do things we don't know how to do well. It may identify some execrable cases, but auditing would probably do as well at this, and with far more thorough coverage per dollar spent. Auditing sees whether we are doing well the things we can do well, the things we will learn to do well if we expect a regular audit.

This kind of prissy approach to restoring the image of the national government is not only wholly uncongenial to the imaginative spirits of academe; I see no one promoting it in the media or the Congress, either. Yet a drastic deterioration has occurred, and it is criminal negligence to devote all our attention to those aspects of it that are most resistant to remedy. This places us in the class with the physician in the university hospital who is only interested in the "interesting" cases among the poor.

Perhaps I exaggerate the prevalence, among ghetto youth in particular, of corrupting cynicism about the mindless, sloppy ways in which Federal money is scattered about. Certainly, in some places, other points are more important, such as program cutbacks that promiscuously penalize or eliminate the good facilities with the bad, or program administrators of one race who abuse clients of another, or power plays in which the poor are merely pawns. But I do not really believe I exaggerate, and so long as we are committed by social philosophy or pork barrel politics to try, at the national level, to do things we don't know how to do well, the message of what we are trying to do should be conveyed as clearly as our capabilities permit.

This is, of course, equally true for the services we know how to render, and I do not mean to imply that Federal aid funds none of these. In either case, the virtues of good housekeeping increase our gains or minimize our losses, so far as the conveying of the message is concerned. Today we are not merely sending mixed signals to the poor about our attitudes toward them--as I have argued, this is often the right (as well as the unavoidable) thing to do. We are communicating an image of the national government and, by inference, of the national society with which none of us as individuals would be willing to identify.

Proposition Four: Area Redevelopment Requires Reappraisal

As soon as we get out from under the current recession, equity issues will reassert themselves. It is politically impossible to solve this problem by limiting the national role to programs that can be funded at a level which allows them to reach everyone they "ought" to reach, whether by income or other criteria. Further, the limits imposed by this construction of the national role are philosophically distasteful. The special capabilities of the national government extend to the ability to amass talents and brains. The jurisdictional lines of subnational governments limit the activities they can undertake, as do many other factors. Further yet, if the national government does not occasionally erupt into an enthusiasm of activities where reach exceeds grasp, this will be an indication that something is radically wrong with our culture.

Hindsight tells us that the poverty war handled such an eruption poorly, although agreement probably cannot be obtained on particulars. In my own construction, one major error was to focus aid on poor neighborhoods, with little attention either to the fact that, in most such neighborhoods, a sizable majority were not "officially" poor,* or the fact that many such neighborhoods were located in affluent states. A related error was to pour money into the cities where the poor were conspicuously coagulated, without attention to the larger effects of the pouring on the budgetary dynamics of these cities, and on city-suburb and city-state relations. An important result, I believe, is that in many cities the "urban crisis" no longer means inadequate resources to meet rising social needs but a grossly inadequate return for the funds that are being expended, and an unhealthy increase in dependency on outside money.

In trying to bail out hard-pressed cities by funding expanded services to poor neighborhoods, national policy raised the expectations of the urban poor and near-poor without any impact (unless a negative one) on the supply of jobs in the private sector. Meanwhile, it contributed to the supply of public sector jobs and the militancy of municipal unions. Knowing there was money "out there," city officials learned the tactic of responding to budget crises by cutting the lean and preserving the fat: i.e., the motive was not to economize but to trigger the outcry that would bring in more Federal-state funds. Rather than saving those cities that were in genuine trouble, national policy may will have been accountable for a setback to their economic viability.

The magnitude of funds that now flow through Federal aid channels requires rules for disbursement if the effort to serve hundreds of specific objectives is not to produce counterproductive alchemies. The proliferation of planning agencies is no solution, nor are lectures on the desirability of metropolitan and other regional governments. Nearly everyone has a stake in the balkanization of local government. Suburbanites (most of whom have not "fled" the cities) oppose amalgamation, except of some special functions, because they see it as all loss and no gain. Blacks in the cities would like to spread the tax burden around, but not at the cost of diluting their political power. Few state legislators favor reforms that carry a risk of redistricting them out of their jobs.

Looking also at the Congress, it appears that "rationalization" of federal aid is nearly a contradiction in terms. What is rational for each Congressman is to maximize the gains and minimize the losses to his district, and especially to the best-organized interests in the district. Similarly, the minor departmental officials who often determine who gets what fall far short of possessing a national perspective.

It may be that despite the massive scale of federal aid we are hopelessly locked into irrational, irresponsible disbursement dynamics, simply because the totality is too vast, confused, and diffuse for anyone to grasp. Nonetheless, the concept of a national place policy--of national social policy with respect to place--is worth pursuing. After all, federal aid with its many functional subdivisions is funded by general taxation of individuals and corporations. These facts of funding supply the legitimacy for the concept of national place policy.

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*OEO initially estimated that 80% of poor-area residents would be poor. Subsequent studies of selected "catch basin" areas for poverty programs showed 11% and 14% in rural Montana and Wisconsin, and 10-38% in the urban areas. (G. Sparer and L.M. Okada, "Welfare and Medicaid Coverage of the Poor and Near-Poor in Low-Income Areas," HSMHA Health Reports, December 1971.)

Ignoring for a moment the political problems, there seem no insuperable technical problems to rational disbursement planning of aid to localities. We may or may not have the technical capability to operate a national negative income tax program at acceptable levels of error and fraud, but we surely have the capability to draw a map which combines our 37,000 units of general government into some 5-10,000 aid districts; to monitor selected economic and social indices for these districts; to process these data by reference to reasonably sophisticated intra-district and inter-district typologies; and thereby to determine where the money should go, and for which of the purposes for which local application has been made.

Even a casual glance at the aid categories in Chapter V indicates that such an innovation would have to start out small. As presently organized, AFDC and Medicaid (which together account for almost a quarter of federal aid) could not be managed in this way. Some programs serve purposes for which the data to be monitored are irrelevant or secondary. By and large, presently supported facilities would have to be grandfathered into the system, whatever the merits of their location. Also, while there is no technical reason why disbursements under community development and manpower "special revenue-sharing" programs could not be managed in this way, here and elsewhere one has to expect powerful resistance in the relevant departments.

Nonetheless, were the issue formulated forcefully, it is not improbable that a majority in the Congress could come to see advantage--for disbursements under new programs and new disbursements under some old ones--in passing the buck to a computer on what is, after all, a trivial form of Congressional power, involving much harassment and waste of time. It is not sophistic to argue that true Congressional power might thereby be enhanced, although this can hardly be guaranteed. And one may start even smaller, by seeking appropriations to develop the technological capability for aid-disbursement planning. Or smaller yet: a feasibility study could be funded by Congress, the Administration, or both.

As noted in an earlier chapter, I am very skeptical of national planning as a generality, but national aid-disbursement planning is a technically manageable objective that can be pursued by means and stages that allay political objections while directly linking the planning function to operational effect. The federal governmental structure becomes compatible with regional and mini-regional criteria for aid allocation if we separate and "nationalize" this function--with no requirement that the components of an aid district collaborate or even consult on their applications, though they might acquire the incentive to do so.

However, limited advantage is gained from reducing aid disbursement to an apolitical routine unless the system is very widely perceived as fair and equitable. This would constitute a reason for starting out small even if we had an option, but the problem is not merely one of program errors. Equally important, rational formulas for selection among prospective sites break down when appropriated funds for a particular program are as small as they often are. My suggested approach is to limit application for such funds to districts that have met "depressed area" criteria for a period of years. While this might be undertaken in the context of a revival of the area redevelopment efforts initiated by the Kennedy Administration, I am mainly concerned here with its utility as a "tie-breaker." Area redevelopment is probably the single most appealing raison d'etre for national place policy, but its methodological problems tend to produce political preference for the more modest objective of shifting funds from "richer" to "poorer" areas. However, the strength of present distaste for change-agent aims, with respect to places as with respect to persons, will surely diminish with distance from the disappointments and traumas of the 1960's. The intellectual challenge and interest of area redevelopment and its conceptual appropriateness as a national government function argue against any permanent eclipse.

But, for the time being, designation of long-term depressed areas as the prime or exclusive recipients of aid under low-budget programs is primarily an attractive expedient solution to the equity problem regarding these programs. It would permit us to preserve some of the poverty-war initiatives, such as pre-schools and neighborhood health centers, that otherwise may face slow death under "no starts, no expansions" directives. Further, a depressed-area siting policy would allow new experimental programs to be launched without the sterile constraints of a research format, and without reliance on the disproved rationale that, once they prove their worth, state/local government will take them over.

Beyond question, federal aid malapportionment is a highly intractable ill, with positions depending heavily on whose ox is being gored at the moment. (Thus, for example, northern black Congressmen voted as a bloc against Nixon's Family Assistance Plan, which threatened to reduce welfare benefits to their constituents, although southern black politicians and organizations overwhelmingly favored the measure.) The solution of directing more aid to individuals in nationally administered programs is partial, at best. The solution of greatly expanding revenue-sharing so affronts the principle of accountability as to have few proponents. The solution of reducing outlays--even as a percent of GNP--appears improbable for the long run. Housekeeping reforms, as proposed in this and the previous section, have become essential to the evolution of a healthy social policy process.

Proposition Five: Stability Is Important to the Poor

A bias toward stability is probably a basic characteristic of nationally or Federally funded income maintenance programs. This is partly a function of size, partly a function of the basic subsistence needs that such programs meet. Guessing at possible instability in the future, the likeliest form would be reneging on negative income tax payments to childless households. As I argued in Chapter VII, unintended national subsidization of reduced labor supply of younger and older childless workers seems very likely to mushroom under such a program, to be unpoliceable except in extreme cases, and to become a very hot political issue.

I regard this probability as sufficient reason for current planning to revert to an FAP model, limited to families with children. Income support for those of the nonelderly, nondisabled childless who cannot support themselves should be left to local administration and local funding, because this eligibility category is so subject to abuse, not only by the potential aid-receivers but, in the case of the older worker, by his or her employer and possibly by unions as well.

I have already made it clear that I reject the principle of income redistribution as a governmental objective, rather than as a means to other objectives, but those who disagree may nonetheless feel that the implementation problems of a comprehensive negative income tax carry risks that make obeisance to principle not worth the costs. Perhaps the strongest argument here is that the lives of the poor are at best exceptionally vulnerable to factors beyond their control. "Now you see it, now you don't" is a commonplace experience of the poor. Not only are low-wage jobs often insecure; they often lack the fringe benefits--health insurance, sick pay, unemployment insurance, pensions--that soften life's uncertainties for others. Firms located in poor neighborhoods are often marginal themselves. They disappear without warning. So do doctors. So do churches. The poor are the most likely to be victimized by urban renewal and highway construction. Overall, those who are least able to understand the workings of the world beyond their immediate ken, and the least able to anticipate and shape change to their advantage, experience a disproportionate share of the risks and disabilities that accompany economic progress, while being the last to gain the benefits.

Physicians often forget the Hippocratic imperative "Do no harm." National social policy sometimes forgets it, too. A blemish of the poverty war was the frequency with which creative ferment in Washington translated into confusion, distress, and sometimes suffering at the local level. The unhappy effects of inadequate training of VISTA workers and of haste in launching the Job Corps should not be forgotten, or the accounts (such as Huey Perry's and Tony Dunbar's) of what happened at the grassroots as national officials "learned by experience," or were replaced by officials who had different ideas or liked to play politics.

Social policy should aim to amplify that part of life which can be counted on by the poor to be the same tomorrow as it is today. This is not an absolute dictum. In Night Comes to the Cumberland, Harry Caudill detailed the derangements of life in eastern Kentucky that came from access to the income support programs created during the Depression. In Caudill's view, the widespread availability of welfare and social security exacerbated the problems created by changes in the coal industry, interacting with extreme poverty, traditional disrespect for education, and corrupt local politics to produce pathological levels and kinds of indigence. Writing in the early Sixties, Caudill prescribed precisely the program emphases that characterized the poverty war. More generally, the poverty war came out of perceptions that the stability of the national social policy role had become a morbid stagnation.

I have no dispute with these arguments. However, we have now had a decade of great instability, and the end is not in sight. Intended ferment has yielded to uncontrolled growth of income support programs and, in response to recession, to hastily concocted tax relief and work relief measures. No one denies the necessity for major welfare reforms, or the intolerable state of medical costs, yet measures in neither of these areas seem likely to be enacted so long as projected budget deficits are so high as they are today.

In other words, urgent problems prevent us from dealing quickly with situations that are merely intolerable. Rather than supposing that all of this will miraculously change after the next Presidential election, we would do better to use the time when nothing permanent can be accomplished to define those programs that hold promise of permanence. So far as welfare reform is concerned, I suggest that we probably cannot jump successfully from a Federal system for "female-headed families" to a national system aiding all of the poor. Neither do I believe that we can successfully jump from the problem-riddled Medicare and Medicaid programs to a comprehensive national health insurance program that functions on the same troublesome provider-reimbursement principle.

Ironically, the accusations of hubris leveled at the poverty warriors are equally warranted today. The lesson wrongly learned is that incrementalism doesn't work in matters of structural design. (Necessity mothers the hope that it will work in the matter of funding.) So pervasive is the belief that all the problems must be solved at once that neither in Congress, the media, or the academic literature does one encounter efforts to list the specific reforms desired and consider what pieces might be tackled first.

Regarding welfare reform, it is most important to note that the context of discussion has been altered by the national requirement that all counties participate in the food stamp program. As noted by scholars at Brookings, even before this requirement took effect the expansion of the food stamp program had significantly reduced interstate discrepancies in the total income of AFDC recipients; and it also, of course, has reduced the extent to which welfare discriminates against "male-headed" families.

Thus the most glaring inequities of the system have been mitigated. It is no longer clear that enactable levels of support in a consolidated national program would do as well by the poor, on average, as the two present programs. Also, as was warned by the history of the Family Assistance Plan, "nationalization" of welfare may not be enactable at all, due to conflicts of interest between high and low benefit states.

Barely foreshadowed in 1970, a dual system of income support for the non-aged, non-disabled poor has become the given in 1975. Rather than assuming out of hand that the "welfare mess" continues to call for sweeping structural reform, we might do better at this point to consider whether structural tinkering and housekeeping reforms can make the dual system serviceable for some time to come. This would have the great advantage of stabilizing the "rules of the game" for the poor and near-poor. Also, it would provide a much-needed referent for the study of housing allowances, Medicaid, and other auxiliary aid programs and proposals. So long as we assume that the basic structure of income support will be radically changed within a few years, work in these areas is very seriously handicapped.

An emphasis on stabilization is more difficult to apply to the health care area. The extreme interstate inequities of the Medicaid program are not mitigated by any counterpart to food stamps; and the extent to which Medicaid uses the poor as a conduit for ill-regulated subsidies of hospitals, doctors, and nursing homes adds a disturbing dimension that is not present in the welfare system. What I have referred to above as "structural tinkering and housekeeping reforms" appear hopelessly inadequate here; yet it ought to be clear that enactment of national health insurance is no solution. Increasing effective demand for medical services without comparably increasing the supply is bad news for the poor, simply because equal dollars of entitlement do not constitute equal purchasing power. Doctors are highly paid professionals who care a great deal about fringe benefits. They prefer to live in metropolitan areas and to treat nice middle-class people in pleasant, safe neighborhoods near their homes. They also like leisure; and the more physicians there are in a middle-class area, the easier it becomes to shorten workweeks and lengthen vacations (while keeping fees high) by arranging with colleagues to baby-sit one another's trade. National health insurance would underwrite these preferences. It would reinforce the disproportionate flow of national tax money to the affluent states which have the highest physician-patient ratios and the highest medical prices.

More propitious for the poor would be a Medicaid reform which looked toward standardized payments to the states, per capita poor, on the special revenue-sharing model. The states could then determine whether direct provision of services, provider-reimbursement, or some other system best satisfied the program requirement that all of the poor have access to a minimal specified range of medical services. This could be introduced on state option. While I know of no evidence that any state is presently eager to assume this responsibility, sweeteners could be provided: more money directly, subsidies to train non-M.D. general practitioners, planning grants, etc. The prerequisite to such action is recognition that neither Medicaid nor any replacement can effect the objective of "a single standard of medical care." Even in the public schools, where teachers are salaried and assigned, best efforts to equalize the quality of the faculty in desirable and undesirable areas have been ineffective as well as rare. Retaining the single-standard objective for medical care is a classic case of the principle that the best can be the enemy of the good. Funding the states to experiment with alternative approaches is the sensible response to the bankruptcy of the Medicaid approach--but only if my Proposition III is heeded. Neither here nor anywhere else can we expect national social dollars to be invested constructively without major upgrading of auditing procedures.

Other aspects of the medical care problem also call for separate approaches. About three-fifths of the public claim to want "national health insurance," yet the complaints most prominently registered on attitude polls deal heavily with problems that NHI would exacerbate: that doctors refuse to make house calls, that too many patients are scheduled for office hours, so that no one receives adequate attention; that the family physicians has become little more than a referral service; and so forth. While NHI, if designed to do so, could eliminate the risk of catastrophically costly illness, the expectable cost of tackling that problem in this way is further deterioration in the quality of primary care--the part of the system that is of most concern to most people most of the time.

Rather than stabilization--or in pursuit of a stabilizable system--the desideratum for medical care policy would seem to be keeping options open. The notion that a comprehensive program similar to those that have evolved over generations in other countries can be successfully imposed on a system with a quite disparate evolution is pernicious. If our move is in this direction, a limited experiment would seem the necessary step. (As I suggested in Chapter III, a program for young children in families with below-average income is the most promising approach for a number of reasons.) But we need to retain the latitude to deal with the specific problems of our system as such, and we should be wary of foreclosing the possibility of peculiarly American solutions: for example, a regulatory, public-utility model for the national government's role.

Recapitulation

In the area of "economic policy," most public and expert debate deals with decisions that the government is empowered to make administratively, or with legislative choices similar to those that have been made in the past. In the area of "social policy," by contrast, formulations of the optimal are characteristically innovative. Choice is among new things. Rarely does one find serious argument for reverting to earlier ways of doing. Even the defense of existing programs by relatively disinterested people is rare, as is advocacy of incremental change--or serious attention to the enactability of proposed reforms--or serious attention to their workability, if enacted--or more than cursory interest in factual documentation of the reality or persistency of the problems reforms are meant to remedy.

Exceptions to some of these generalizations come to mind--social security, pure food and drug regulation--but to an exceptional degree, social policy debate, lay and professional, operates at the margin, where partisan alignments are or are supposed to be based on principle, and lesser matters than principle tend to get lost in the shuffle. Don't bother me with facts. Don't delay progress with quibbles. If you're not part of the solution, you're part of the problem. As Casper W. Weinberger put it recently, social programs tend to be enacted "in a fit of absentmindedness."*

This kind of vagueness is illustrated by The New York Times's reiterated editorial hope that the long-delayed nationalization of welfare will soon alleviate New York City's financial problems. Does the Times really believe that the benefits of a national welfare program can be standardized at a level that will yield a net gain to New York? Quite possibly, New York and similar states have enough muscle in the House of Representatives to prevent a disadvantageous welfare reform from becoming law, but this is not the same as the power to enact a favorable reform. And this is a distinction of no small moment.

I have suggested that vagueness, inconsistency, and confusion have a role to play in the national government's efforts to implement policies that encroach on deepseated differences of belief. But these qualities have no virtue in the area of social policy debate, except as an instrument of partisan tactics. In the case cited, it appears that the Times gains no tactical advantage. Certainly this is true for those who look to the Times for enlightenment.

At the opposite extreme from piously saluting a cloud called "welfare reform" is the posture that insists on asking, "Who gets what and why?" However, except at the poles of Marxist exegesis and reportorial expose, this posture is a rarity in social policy expositions. While imputation of ignoble motives and class interests on an ad hominem basis is anything but rare, one searches the formal literature in vain for a disinterested and pragmatic analysis of the interplay of interests as a factor in the future of social reform proposals.

This is unfortunate. With all respect for what are felt to be ethical imperatives, it ought to be possible for The New York Times to discern and to communicate to its readers the practical political problems of securing

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*Quoted in an article by Wallace Turner, The New York Times, July 22, 1975.

"nationalization" of welfare on terms attractive to New York. One is tempted to suspect that the Times is pretending to myopia in order to promote what it construes as the national interest, whether New York gains advantage at the start or not. But, if so, the myopia underlying the pretended myopia is real. Prescriptions for reform must take political realities into account. While they must also take human nature into account in more sophisticated ways than allowed by the economists' "simplifying assumptions," this latter requirement is subject to so much abuse in practice that the tendency of the social science community to ignore it has a good deal of merit.

Not so for political realities. A constructive social policy process requires that we address precisely the issue the Times ignores, which is the relationship of national social policy to a federal form of government. It may not be mandatory but it is profoundly legitimate for Congressmen to vote their constituents' interests. And this means that, as the bulk of national taxes has shifted (bloating in the process) from "defense" to social welfare purposes, the role of the Congress has become immensely problematic in several respects.

Agreement is lacking on what "respects" these are. As a cautious person, I am concerned only occasionally with the sluggishness of the legislative process. As someone who was more impressed by the poverty war's objectives than depressed by its "results," I am not unhappy with Congressional refusal to root out the programs of that era. I would begin to get nervous on several counts if Congress were more "efficient," as that term is commonly construed.

To me, the commanding issue is accountability for the use of national tax dollars. To summarize, I favor: (1) efforts by the Congress to gradually reduce the role of place interests in the disbursement of social program funds; (2) the development of a national planning capability to systematize that part of place policy where choices must be made; and (3) sufficient--meaning substantial enlargement of the national government bureaucracy to allow regular (let us say, quarterly) audits of all local social program facilities that receive national tax dollars.

But what about the alternative of "lowering the river"? The implausibility of this course rests in the final analysis on the open-endedness of social policy commitments. Once the normative/nurturant role of the national government became securely confirmed as an aftermath of the New Deal, alternatives to expanding the role were foreclosed--or so it appears from a 1975 perspective. When times are bad, additional outlays and programs cannot be avoided. When times are good, the disadvantaged place a moral claim on an enlarging national product. Income support for the elderly, and especially Medicare, is simply the most dramatic case of the principle that "enough" cannot be satisfactorily defined. And, arching above the particulars is the liberals' contention that our income distribution is fundamentally unjust.

Within this frame of reference, the very idea of "lowering the river" becomes indecent, yet few would argue that the course we are following lacks its perils. Governmental enforcement of ethical norms is a frightening business. Abrogation of property rights in the name of justice is equally so. Government is composed of people who have their share of ambition, venality, and parochial self-righteousness. Indeed, the bigger the budget and the greater the power the more attractive becomes "public service" to people with more than their share of these qualities.

The power inherent in government ought to be charily used. On this point, petty cases accumulate to a troubling sum. At the local level, government says that I cannot remove a newspaper from a trash basket in a New York subway station; government says that I cannot comb my hair in the Jones Beach ladies' rooms. Shall I go to court on these matters? From every large government decision a dozen or a hundred small ones are hatched to nip at the heels of the beneficiaries of a Jones Beach or a subway system--or a welfare program.

I am guilty of advocating that we nip closer at the heels of the beneficiaries of federal aid. If we are going to spend so much money, this is mandatory. National social policy is a fraud if its processes are so sloppy that the normative messages and intentions are compromised. But greater efficiency may generate as serious abuses as those it removes, simply because the human instrumentalities of efficiency improvement are likely in too many cases to be arrogant little bastards, and in too many other cases to be themselves soon on the take, unless we establish a second layer of enforcers to watch-dog them.

At best, my recommendstions are appropriate to a moment in the social policy process when there is no political constituency for the devolution of any significant fraction of program funding to the local level. Where funding is national, accountability must also be national. This principle has nothing to do with lesser probity at the local level, resting instead on the interplay of self-interests with ethical rules for the use of "outside" money. Local government and local administrators cannot be charged with responsibility for policing the use of national tax dollars because the national interest is properly a secondary concern for them.

The forty-year history of the Social Security Administration suggests that perhaps we can create a national civil service tradition. Current proposals for welfare reform express this hope, but our cultural climate does not strike me as congenial to the requisite nurture of go-by-the-book mentalities in government service. This skepticism extends to my own proposals. Even if instated with adequate funding, personnel, and enforcement powers, the routinization of aid disbursement and the regular auditing of aid use seem unlikely to work very well in the American setting. Their value would be symbolic, palliative to an extent, but insufficient to underwrite the expected further expansion of the national role in income support, medical care, and other social policy areas.

Further, even the most smoothly functioning national civil service is irrelevant to many of the pitfalls of an enlarged social policy: unforeseen economic, social, and psychological effects; the rigidity of a national budget dominated by "uncontrollables"; the hazards of an increase in legally enforced moral "shalts" and "shalt nots" (whether determined by liberals or conservatives); the disorientation of citizens' and Congressmen's judgment by large numbers ("only a few billion..."); the creation of needs by acting on the assumption of their existence; the tendency to encourage unproductive forms of greed and envy; the furtherance of invidious distinctions between employment and values in the public and private sectors.

Such concerns should not be dismissed by loose reference to foreign example. We are not the caboose on a European train (nor is it accurate to speak of a European train). Our special longterm concern is a momentum of social policy growth and change that evolved in the Sixties; that two Republican Presidents have thus far proved unable to curb; and that is no longer controlled by the venerable Congressional custom of assigning conservatives to the appropriations committees. Nor is the natural tendency of a body composed of place representatives to vote ever more money to aid the folks back home dampened by the fact that it is not possible for all places to get more of the national social dollar than they contributed in taxes. Getting more than last year is enough.

Our situation is reminiscent of what Garret Hardin called "the tragedy of the commons." No Congressman has a primary personal interest in preventing 'overgrazing' of potential revenues. All are immensely vulnerable to the types of self-interested demands that cloak themselves in moral rhetoric. The challenge to social policy in this country in the next decade is to reduce these contaminants of the processes that define and implement our social objectives as a nation.

Viewed from this perspective, the housekeeping reforms I have stressed are prerequisite to lowering the river or (mixing metaphors) to determining when and in what respects the boundless fields of the nurturant/normative role are in hazard of being overgrazed. However, necessary does not mean sufficient. As is illustrated by the extraordinary benefit improvements in social security since the late Sixties, nationally standardized fund-disbursement procedures do not, per se, take the pressure off locally elected legislators. This lesson is probably extensible to proposed welfare reforms: unless the ceiling on earnings supplements is quite low, a "working poor" lobby for benefit improvements with much more clout than the National Welfare Rights Organization seems certain to develop.

Conservatives would do well to think twice before favoring a negative income tax on grounds of superior potential for cost control.

Likewise, the measures I advocate must be favored primarily on other grounds. What is in clear jeopardy today is not personal freedom or economic incentives but the integrity of the national social role. As we move past the urgencies of the present recession, the pressures will be to spend more money, not less, and to benefit more people, poor and nonpoor, and more places, not fewer. This is the prospect which calls for assigning top priority to procedural reforms. We are not going to lower the river so long as majorities of the public think government is spending "too little" for an array of social purposes. The issue is whether we can build the dams and dikes and bridges to control a flood of funds that threatens to drown our good intentions.